

Exhibit 21

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

v.) Case No.:
20-Civ-10832(AT) (SN)

RIPPLE LABS, INC., BRADLEY)
GARLINGHOUSE, and CHRISTIAN)
LARSEN,)

Defendants.)
_____)

CONFIDENTIAL
VIDEOTAPED DEPOSITION OF ETHAN BEARD
Tuesday, August 24, 2021

Reported By:
KATHLEEN WILKINS,
STENOGRAPHIC REPORTER,
CSR No. 10068
RPR-RMR-CRR-CCRR-CLR-CRC
JOB No. 210824KWI

VIDEOTAPED DEPOSITION OF ETHAN BEARD

BE IT REMEMBERED that on Tuesday,
August 24, 2021, commencing at the hour of 9:04 a.m.
thereof, at King & Spalding, 50 California Street,
Suite 3300, San Francisco, California, before me,
Kathleen A. Wilkins, RPR-RMR-CRR-CCRR-CLR-CRC, a
Certified Stenographic Shorthand Reporter, in and
for the State of California, personally appeared
ETHAN BEARD, a witness in the above-entitled court
and cause, who, being by me first duly sworn, was
thereupon examined as a witness in said action.

APPEARANCES OF COUNSEL

FOR THE PLAINTIFF:

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8 Madison Butko, Videographer
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11 Forbes, SEC Paralegal
12 Leyla Salman, Esq., Joy Guo, Esq., Debevoise &
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16 Esq., Caleb J. Robertson, Esq., Cleary
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17 defendant Bradley Garlinghouse
18
19
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1 AUGUST 24, 2021

9:04 A.M.

2 P R O C E E D I N G S

3 MORNING SESSION

09:04:01 4 THE VIDEOGRAPHER: This is the start of
09:04:02 5 file number 1 in the deposition of Ethan Beard in
09:04:06 6 the matter of SEC V Ripple Labs, et al. This is a
09:04:11 7 matter pending before the United States District
09:04:13 8 Court, Southern District of New York. The case
09:04:18 9 number is 20-CIV-10832(AT)(SN).

09:04:27 10 Today's date is August 24th, 2021, and
09:04:32 11 the time on the video monitor is 9:04 a.m. The
09:04:37 12 video operator today is Madison Butko contracted by
09:04:40 13 Gradillas Court Reporting. This video deposition is
09:04:44 14 taking place at the offices of King & Spalding in
09:04:47 15 San Francisco.

09:04:50 16 Counsel, will you please identify
09:04:52 17 yourselves starting with the questioning attorney.

09:04:55 18 MS. GUERRIER: Good morning, I'm
09:04:57 19 Pascale Guerrier. I'm a trial attorney with the
09:04:59 20 Securities and Exchange Commission, and I'm here
09:05:00 21 with my colleague, Mr. Moye, Robert Moye. There may
09:05:05 22 be other SEC attorneys on the phone. Or on --
09:05:11 23 calling in.

09:05:14 24 MS. ZORNBERG: Lisa Zornberg from
09:05:15 25 Debevoise & Plimpton on behalf of both Mr. Beard and

09:05:18 1 on behalf of Ripple Labs.

09:05:20 2 MR. LEB: Benjamin Leb from
09:05:23 3 Debevoise & Plimpton.

09:05:25 4 MS. DEARBORN: Meredith Dearborn from Paul
09:05:27 5 Weiss on behalf of Chris Larsen.

09:05:32 6 MS. GUARDADO: Ana Guardado, Ripple Labs.

09:05:36 7 MS. ZORNBERG: If now is a convenient
09:05:37 8 time, may I put a few things on the record?

09:05:40 9 MS. GUERRIER: Sure.

09:05:40 10 MS. ZORNBERG: So, first, just we'd like
09:05:42 11 to designate this transcript as confidential. We
09:05:44 12 may, at a later point, designate portions as being
09:05:48 13 highly confidential under the protective order.

09:05:50 14 Second, for efficiency of today's
09:05:52 15 proceeding, on behalf of the defendants, an
09:05:54 16 objection by any one of us will preserve the
09:05:57 17 objection as to all of us. Thank you.

09:06:00 18 MS. GUERRIER: Thank you.

09:06:00 19 EXAMINATION BY MS. GUERRIER

09:06:02 20 BY MS. GUERRIER:

09:06:03 21 Q. Good morning, sir.

09:06:04 22 THE VIDEOGRAPHER: Okay. Will the court
09:06:05 23 reporter please swear in the witness.

24 / /

25 / /

09:06:16 1 ETHAN BEARD,
09:06:16 2 having been duly sworn,
09:06:16 3 was examined and testified as follows:
09:06:16 4 EXAMINATION BY MS. GUERRIER
09:06:18 5 BY MS. GUERRIER:
09:06:19 6 Q. Good morning.
09:06:20 7 A. Good morning.
09:06:20 8 Q. If you could please state your name for
09:06:22 9 the record.
09:06:23 10 A. My name is Ethan Beard.
09:06:24 11 Q. And you're here with your counsel today?
09:06:26 12 A. I am.
09:06:26 13 Q. And who's your counsel?
09:06:27 14 A. My counsel is Debevoise.
09:06:30 15 Q. Have you ever given testimony before by
09:06:34 16 deposition?
09:06:34 17 A. I have.
09:06:34 18 Q. Okay. When was the time that you gave
09:06:36 19 your deposition?
09:06:36 20 A. Five or ten years ago.
09:06:38 21 Q. Okay. So before I continue, I just want
09:06:40 22 to, for the rules, so that we are clear and that the
09:06:43 23 court reporter can take down what I'm saying and
09:06:45 24 what you're saying accurately, I'm going to try to
09:06:48 25 finish my questions. If you could please let me do

09:06:51 1 that and then I'll let you finish your answer so we
09:06:53 2 don't talk over each other.

09:06:55 3 A. Sure.

09:06:56 4 Q. Okay. So what is the case that you took
09:06:58 5 the deposition in?

09:06:59 6 A. It was a case involving [REDACTED], which is
09:07:01 7 a previous employer of mine.

09:07:04 8 Q. Do you recall who the plaintiff in the
09:07:05 9 case was?

09:07:06 10 A. I do not.

09:07:07 11 Q. Was [REDACTED] the defendant?

09:07:08 12 A. I believe so.

09:07:10 13 Q. Okay. And what year was this?

09:07:14 14 A. I don't recall specifically.

09:07:16 15 Q. Okay.

09:07:17 16 A. It was probably -- I left [REDACTED] in
09:07:20 17 2012, and it was after that.

09:07:22 18 Q. Do you know what the case was about?

09:07:24 19 A. It was involving the [REDACTED] platform,
09:07:28 20 which was a team I worked on, and advertising,
09:07:33 21 advertising technologies.

09:07:35 22 Q. Were you named as a defendant in the case?

09:07:37 23 A. No.

09:07:37 24 Q. And did you say you don't recall who the
09:07:39 25 plaintiff was?

09:07:40 1 A. I do not.

09:07:41 2 Q. Okay. And you were called to testify at a
09:07:45 3 deposition?

09:07:46 4 A. Yes.

09:07:46 5 Q. Okay. What did you testify about?

09:07:49 6 MS. ZORNBERG: Object to form.

09:07:51 7 THE WITNESS: Various questions about how
09:07:53 8 [REDACTED] operated its platform.

09:07:55 9 BY MS. GUERRIER:

09:07:59 10 Q. Okay. Do you recall what role you had at
09:08:03 11 Facebook when you testified at the deposition?

09:08:06 12 MS. ZORNBERG: Object to form.

09:08:08 13 THE WITNESS: I was not at [REDACTED] when I
09:08:11 14 was deposed.

09:08:12 15 BY MS. GUERRIER:

09:08:13 16 Q. So why were you deposed?

09:08:16 17 MS. ZORNBERG: Objection.

09:08:17 18 THE WITNESS: It involved a -- issues from
09:08:21 19 when I was an employed by [REDACTED]

09:08:24 20 BY MS. GUERRIER:

09:08:25 21 Q. Do you recall when you were an employee of
09:08:26 22 [REDACTED]?

09:08:27 23 A. I do.

09:08:27 24 Q. What year?

09:08:28 25 A. I was at [REDACTED]

09:08:37 1 Q. And what was your role at [REDACTED] in

09:08:40 2 [REDACTED]

09:08:40 3 A. I managed the [REDACTED] developer platform.

09:08:44 4 Q. Did you have a specific title?

09:08:47 5 A. I did. It changed many times while I was

09:08:50 6 there. I think [REDACTED]

09:08:55 7 [REDACTED] was probably the longest one.

09:08:59 8 Q. Okay. And do you recall how long you were

09:09:00 9 a [REDACTED] Did I say

09:09:03 10 that correctly?

09:09:04 11 A. Yeah, you did say that correctly.

09:09:06 12 As I said, my title changed a number of

09:09:08 13 times while I was there. I managed the [REDACTED]

09:09:11 14 [REDACTED] for about four years.

09:09:13 15 Q. What other titles did you have at

09:09:15 16 [REDACTED]

09:09:15 17 A. [REDACTED]

09:09:18 18 Q. Do you recall how long you were [REDACTED]

09:09:19 19 [REDACTED]

09:09:20 20 A. About a year.

09:09:21 21 Q. Do you recall what year?

09:09:22 22 A. The first year I was there, [REDACTED]

09:09:28 23 Q. Any other titles at [REDACTED]

09:09:31 24 MS. ZORNBERG: Object to form.

09:09:36 25 THE WITNESS: Not that I remember.

09:09:39 1 BY MS. GUERRIER:

09:09:40 2 Q. So when you were deposed, were you deposed
09:09:43 3 in your capacity as the manage -- when you managed
09:09:47 4 [REDACTED] at [REDACTED]?

09:09:49 5 MS. ZORNBERG: Object to form and asked
09:09:50 6 and answered.

09:09:53 7 You can answer.

09:09:54 8 THE WITNESS: Sorry, can you repeat your
09:09:55 9 question?

09:09:56 10 BY MS. GUERRIER:

09:09:56 11 Q. When you were deposed, was it in your
09:09:59 12 capacity as a [REDACTED] at [REDACTED]?

09:10:06 13 A. Yeah.

09:10:06 14 MS. ZORNBERG: Objection. Just so the
09:10:07 15 record's clear, he's already testified that he was
09:10:09 16 not an employee of [REDACTED] at the time of the
09:10:12 17 deposition.

09:10:14 18 MS. GUERRIER: Well, let him -- let him
09:10:16 19 respond please, thank you.

09:10:17 20 THE WITNESS: That is correct. I was not
09:10:19 21 employed by [REDACTED] at the time of the deposition.

09:10:21 22 BY MS. GUERRIER:

09:10:21 23 Q. Okay. What -- you left [REDACTED] in [REDACTED]

09:10:23 24 A. I did.

09:10:24 25 Q. Okay. What year were you deposed?

09:10:26 1 A. [REDACTED] I
09:10:30 2 don't remember exactly.
09:10:31 3 Q. Okay. Any other depositions?
09:10:42 4 A. No.
09:10:43 5 MS. ZORNBERG: Object to form.
09:10:45 6 Just pause a second --
09:10:46 7 THE WITNESS: Yeah.
09:10:46 8 MS. ZORNBERG: -- after the question.
09:10:54 9 BY MS. GUERRIER:
09:10:54 10 Q. Are you currently employed?
09:10:56 11 A. Yes.
09:10:56 12 Q. Where do you work?
09:10:57 13 A. I work at a company, a new start-up that
09:11:00 14 I'm working on.
09:11:01 15 Q. What is the name of the company?
09:11:02 16 A. It is called [REDACTED].
09:11:04 17 Q. Can you spell that?
09:11:07 18 A. [REDACTED].
09:11:14 19 Q. What kind of company is [REDACTED]?
09:11:17 20 A. It's a technology company.
09:11:18 21 Q. Can you be more specific?
09:11:19 22 MS. ZORNBERG: Object to form.
09:11:19 23 THE WITNESS: It is a technology company
09:11:22 24 focused on [REDACTED]
09:11:28 25 [REDACTED]

09:11:31 1 BY MS. GUERRIER:

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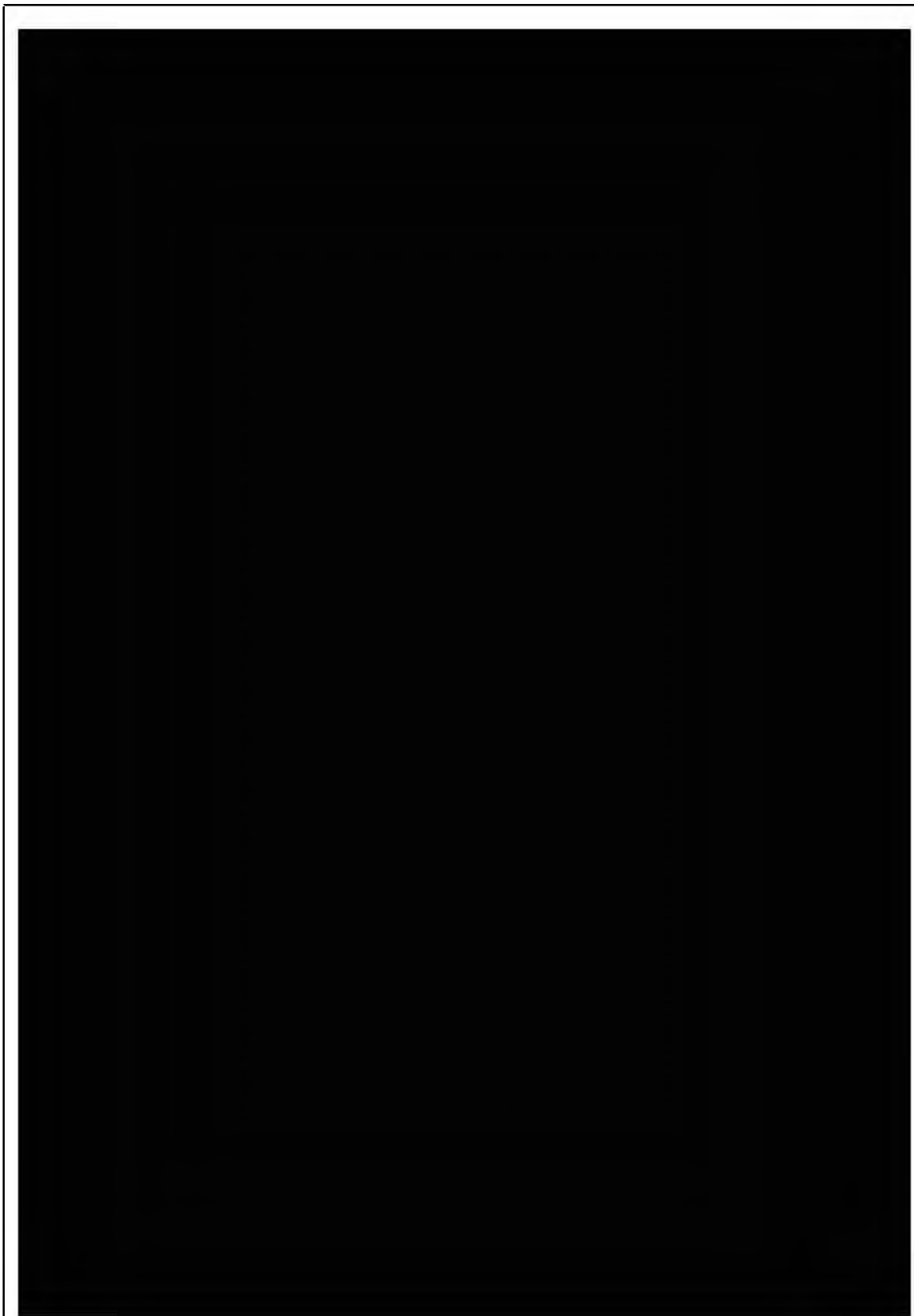
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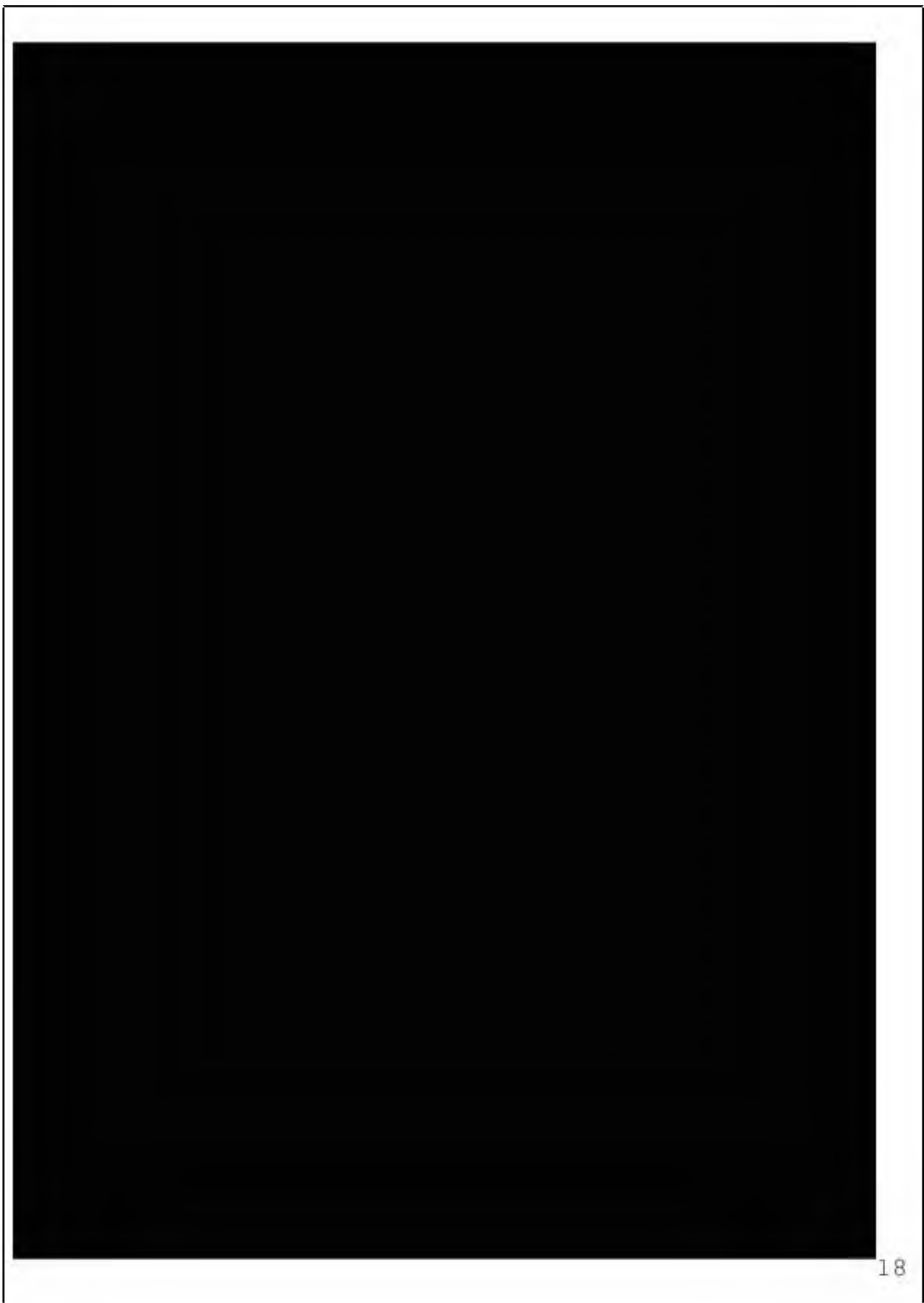
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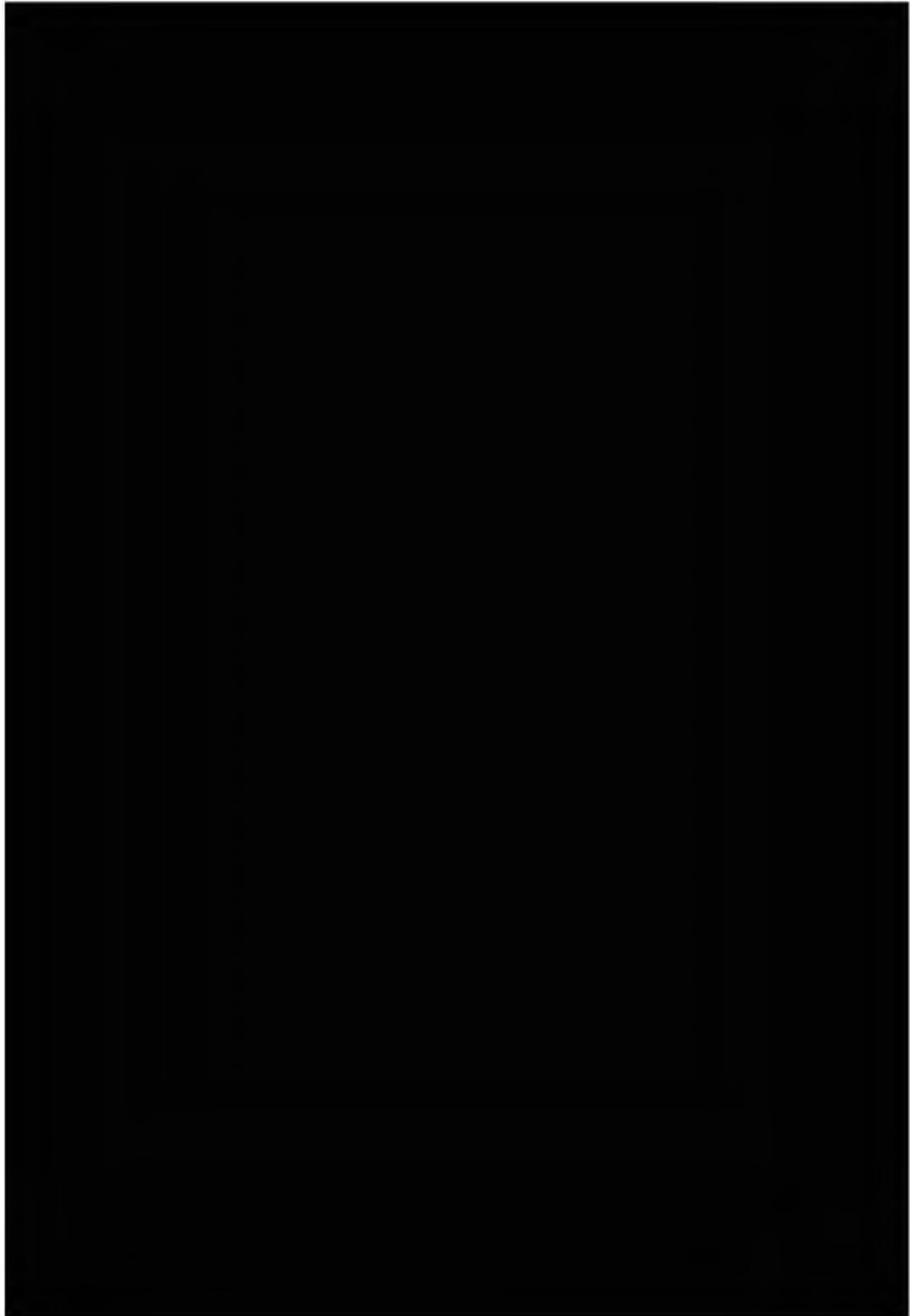
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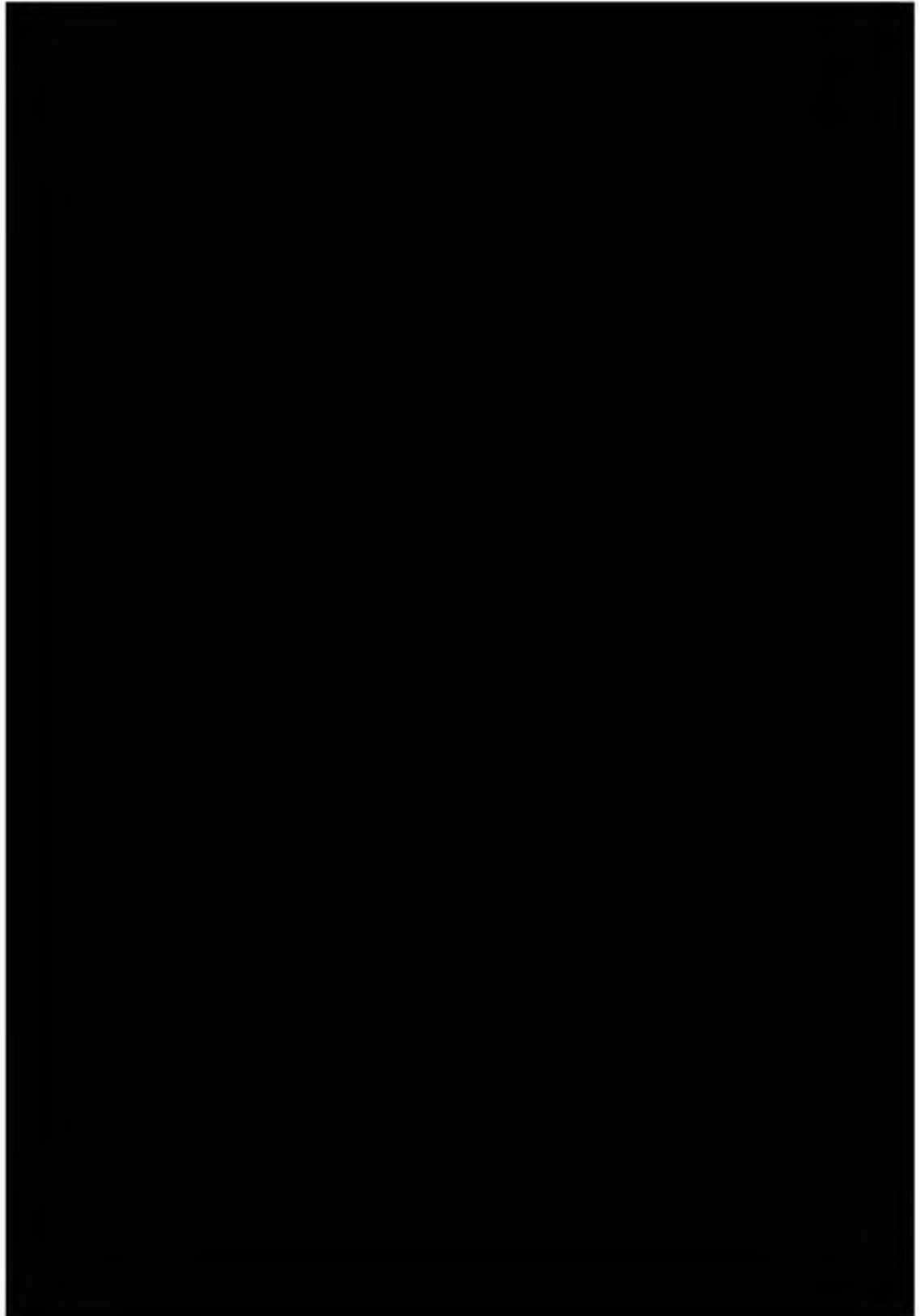
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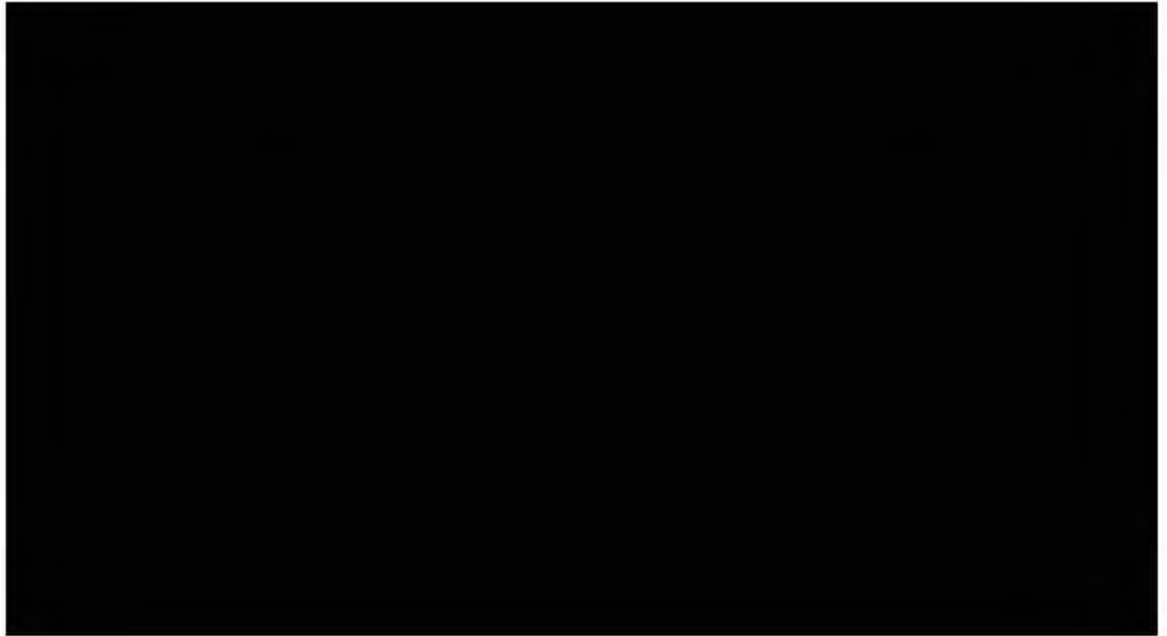
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MS. ZORNBERG: Can I ask for a proffer as to how this is relevant in any way to this --

MS. GUERRIER: Can I finish my question and then you can --

MS. ZORNBERG: I thought you were finished.

MS. GUERRIER: I'm not.

Q. Okay. So going back, did you say that there were other owners that you can't recall?

A. There are other owners.

MS. ZORNBERG: Objection. Can I now ask for a proffer as to how this is relevant.

MS. GUERRIER: I'm not sure why you need a proffer at this time. I mean, I'm asking him about his current employment.

09:17:12 1 MS. ZORNBERG: Yeah.

09:17:12 2 MS. GUERRIER: So I don't understand why
09:17:15 3 you would need a proffer.

09:17:16 4 MS. ZORNBERG: Well, you haven't even
09:17:17 5 asked him any -- we're here in an action against
09:17:20 6 Ripple Labs. You've not even asked him if
09:17:22 7 Ripple Labs is an investor. He hasn't named it as
09:17:24 8 an investor --

09:17:26 9 MS. GUERRIER: First of all, I'm asking
09:17:27 10 the questions, not you. You'll have your
09:17:28 11 opportunity to do whatever it is you need to do with
09:17:31 12 him. But these are my questions, not yours.

09:17:33 13 MS. ZORNBERG: Okay.

09:17:33 14 MS. GUERRIER: I don't believe I need you
09:17:34 15 to tell me how to ask questions.

09:17:36 16 MS. ZORNBERG: At some -- I'm going to
09:17:38 17 continue to object.

09:17:39 18 MS. GUERRIER: That's fine.

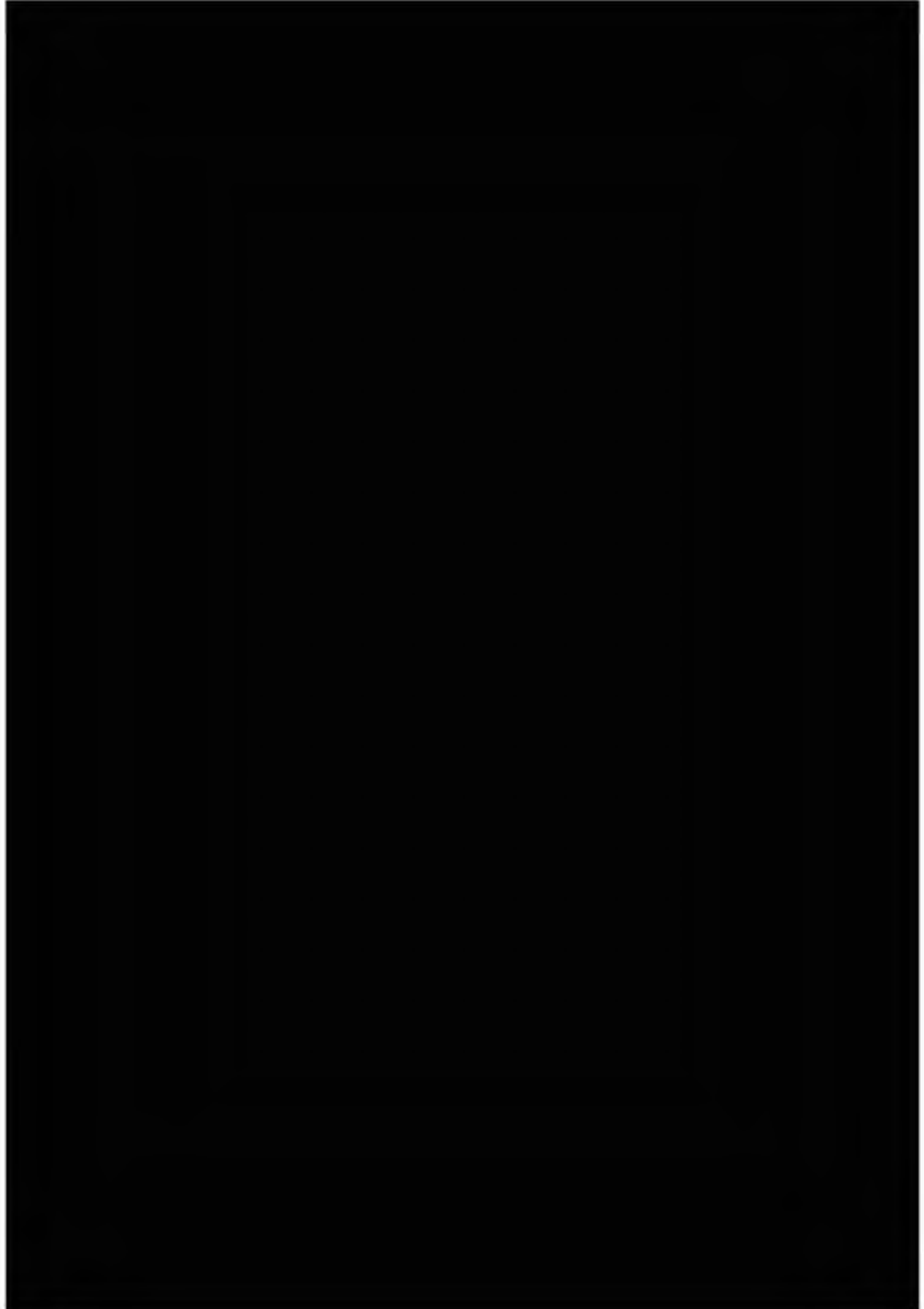
09:17:40 19 MS. ZORNBERG: And I think at some point,
09:17:41 20 if there's absolutely no relevance and you're
09:17:43 21 interrogating him about his current start-up, it
09:17:46 22 starts to border on harassment. And so I would ask
09:17:49 23 you to consider asking questions that are relevant
09:17:51 24 to the actual case we're here for.

09:17:53 25 MS. GUERRIER: Okay. And I'll make that

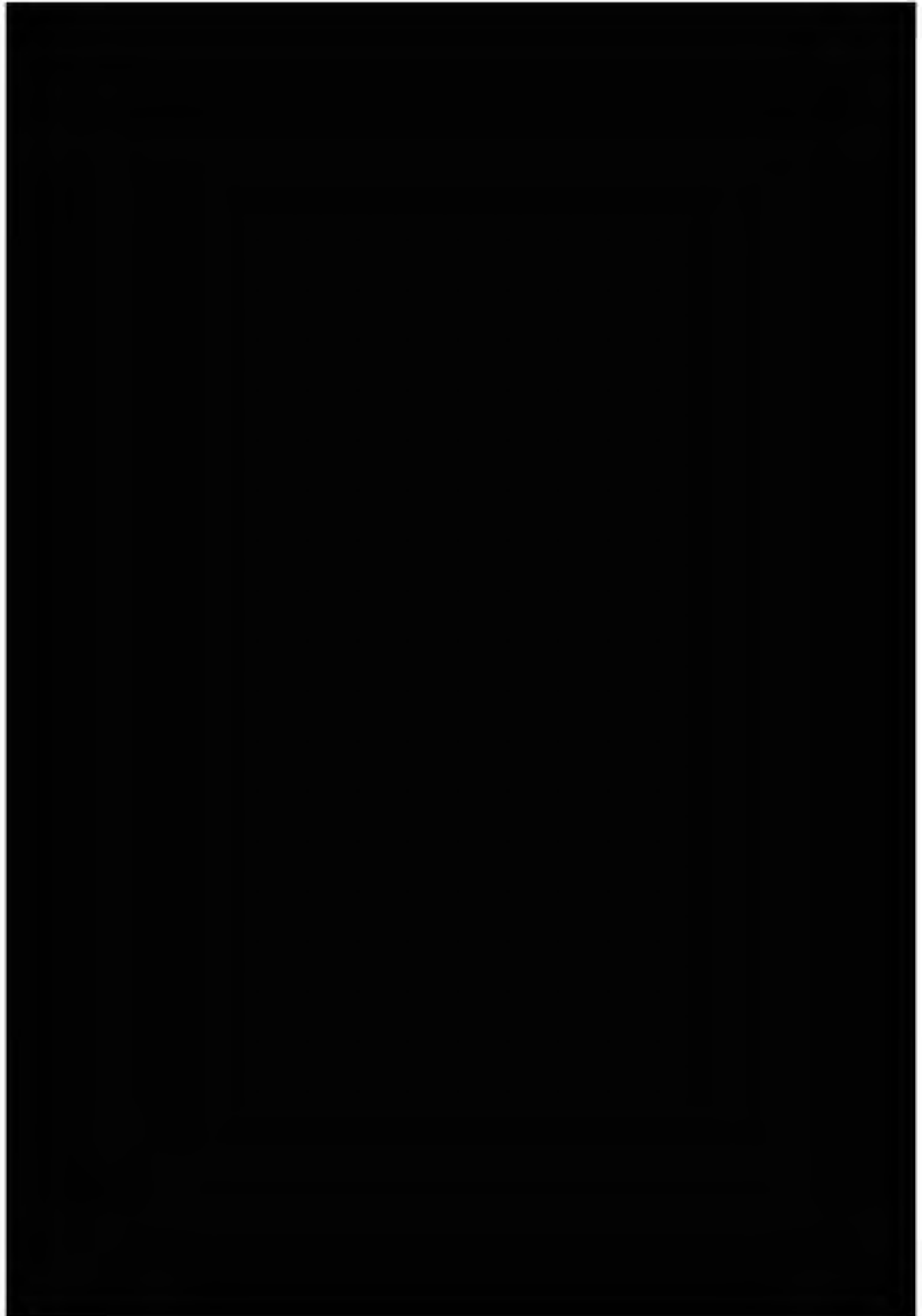
09:17:55 1 determination of what I think is relevant for the
09:17:56 2 case. But thank you.

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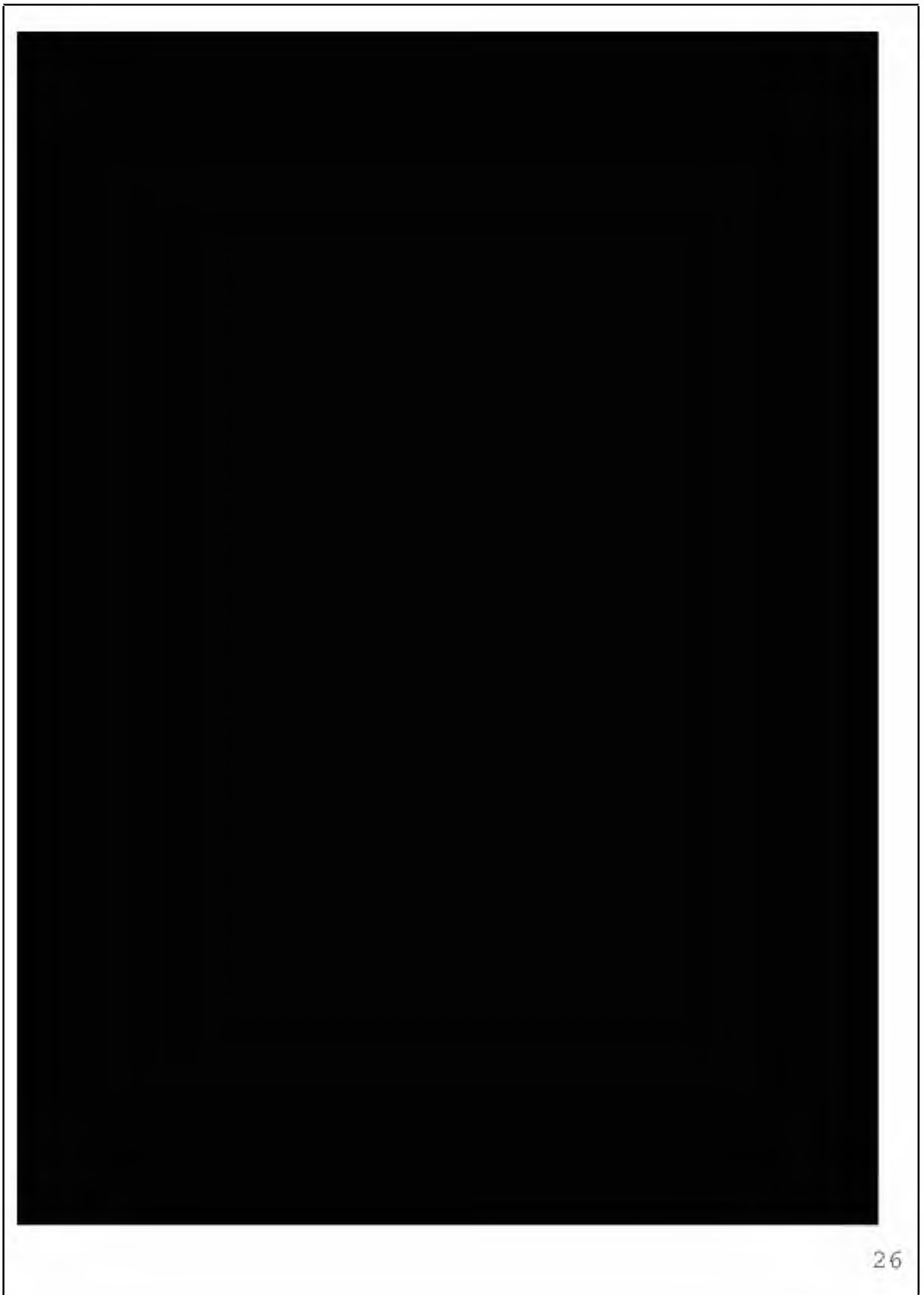
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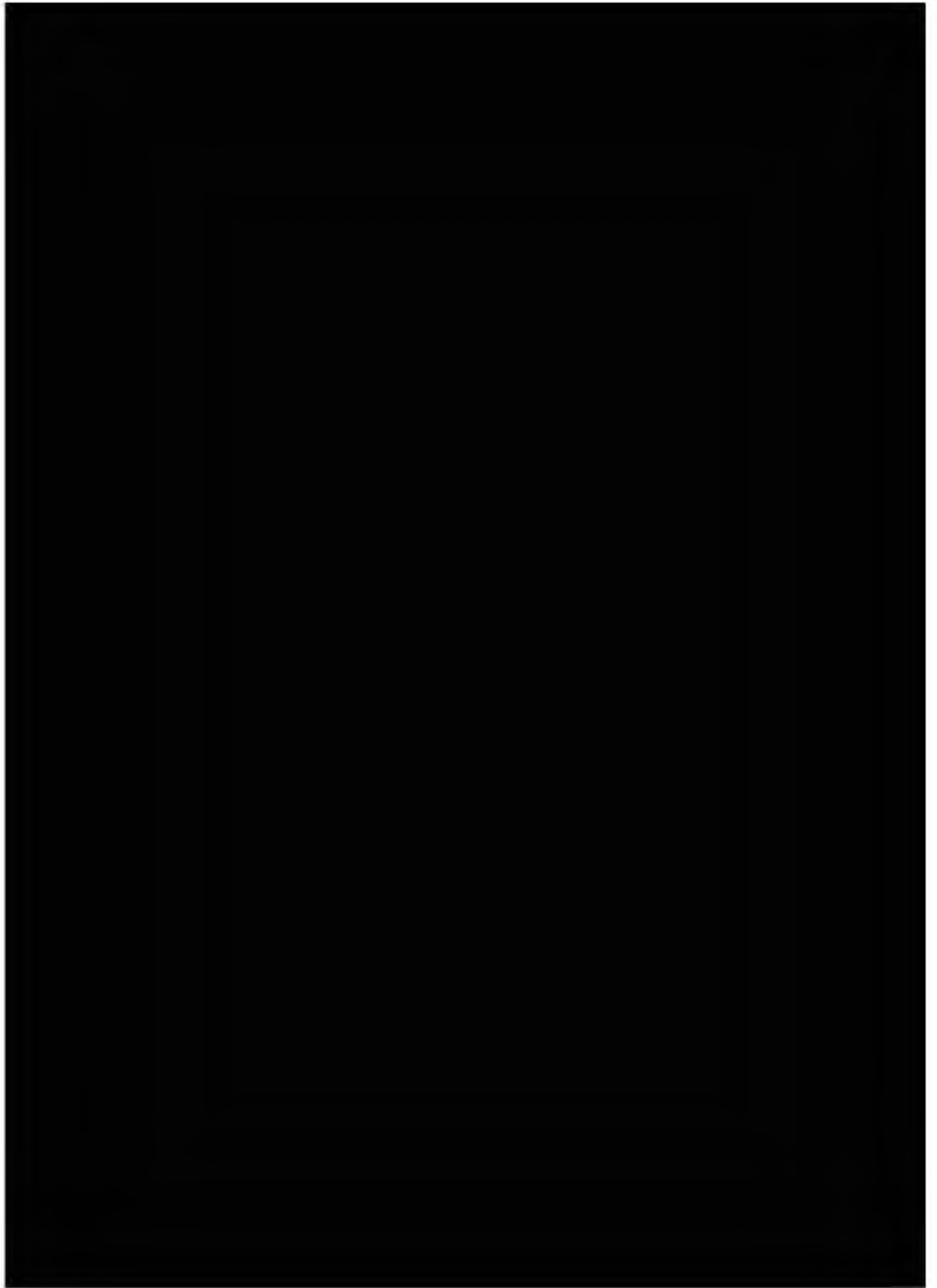
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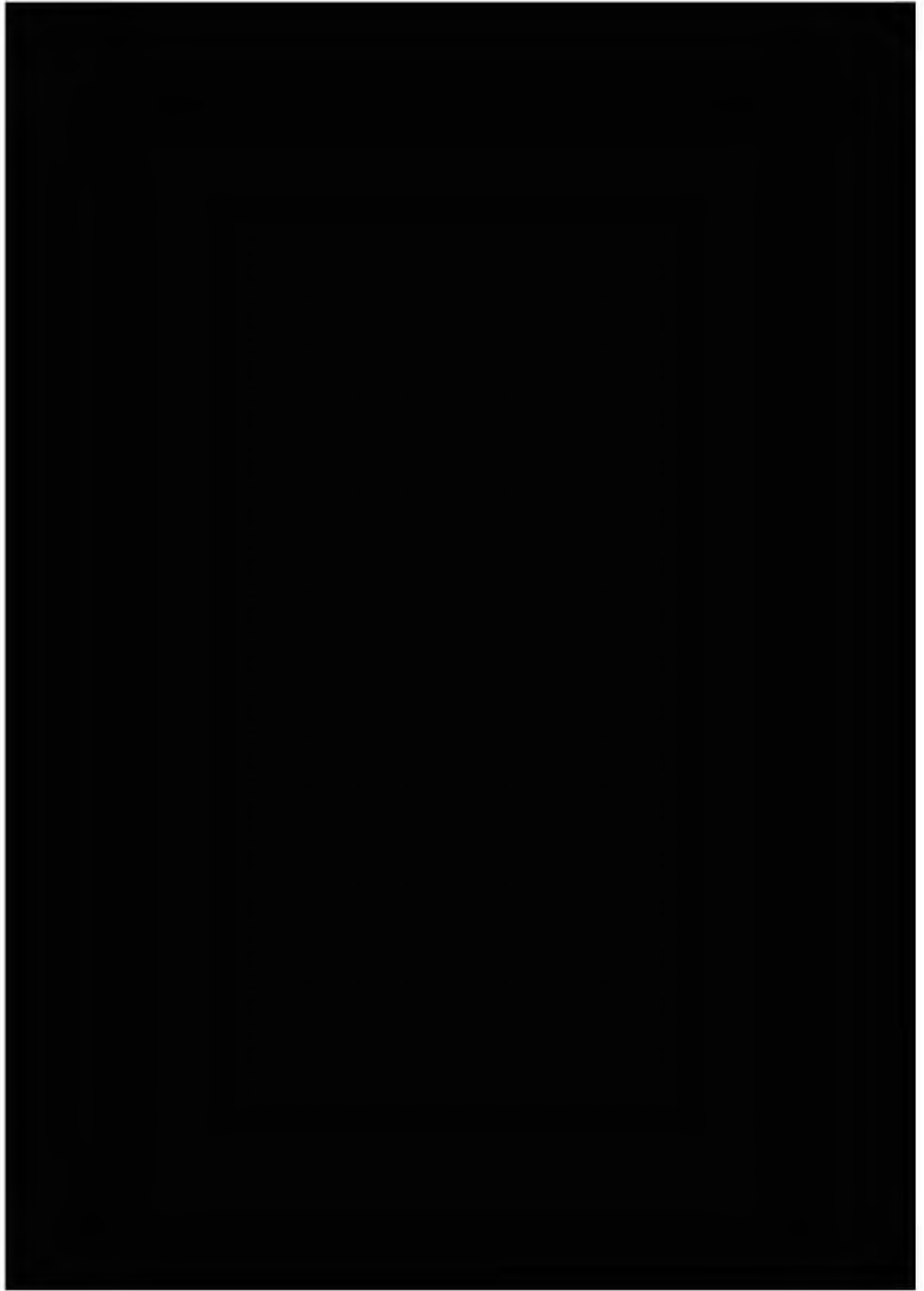
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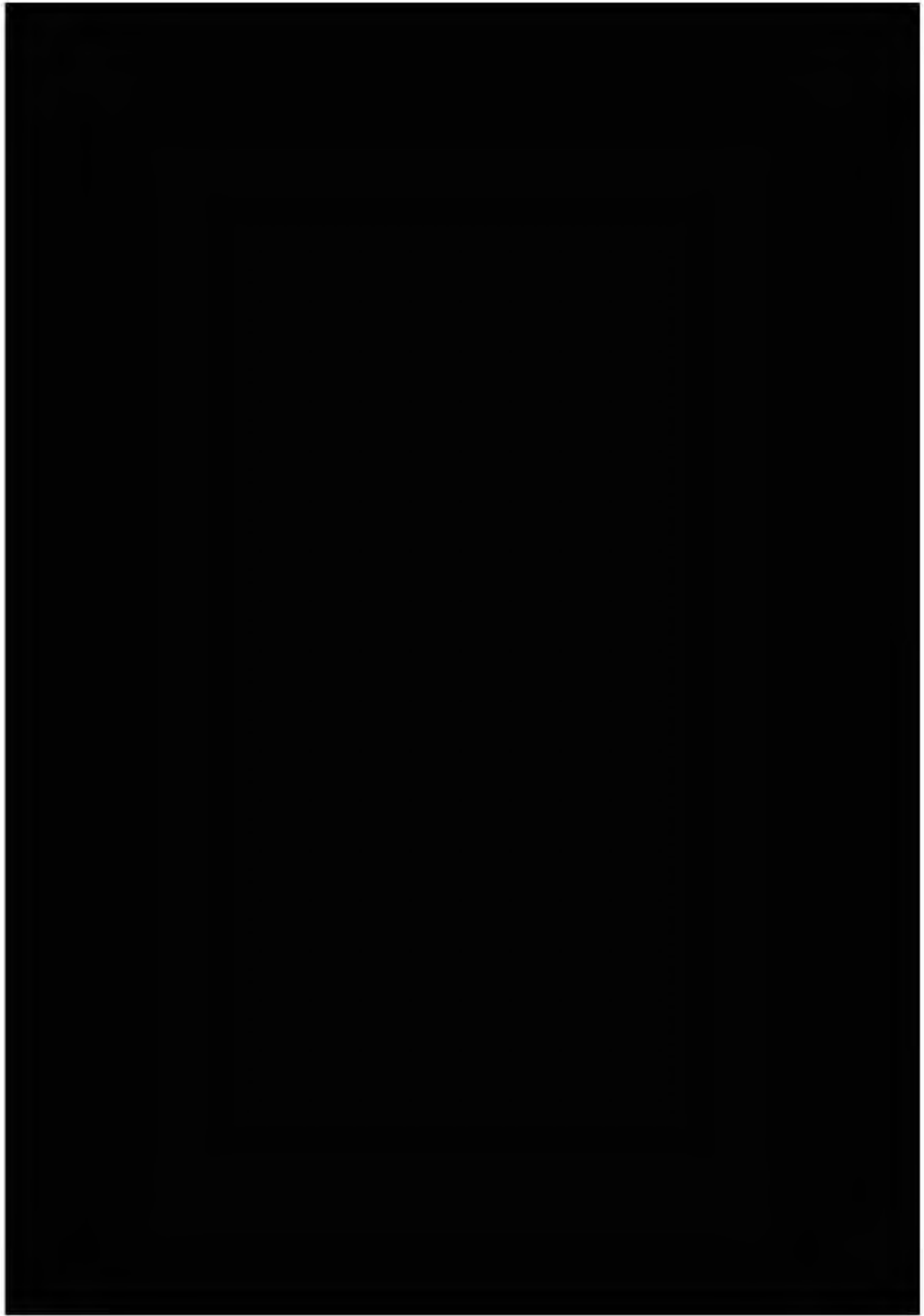
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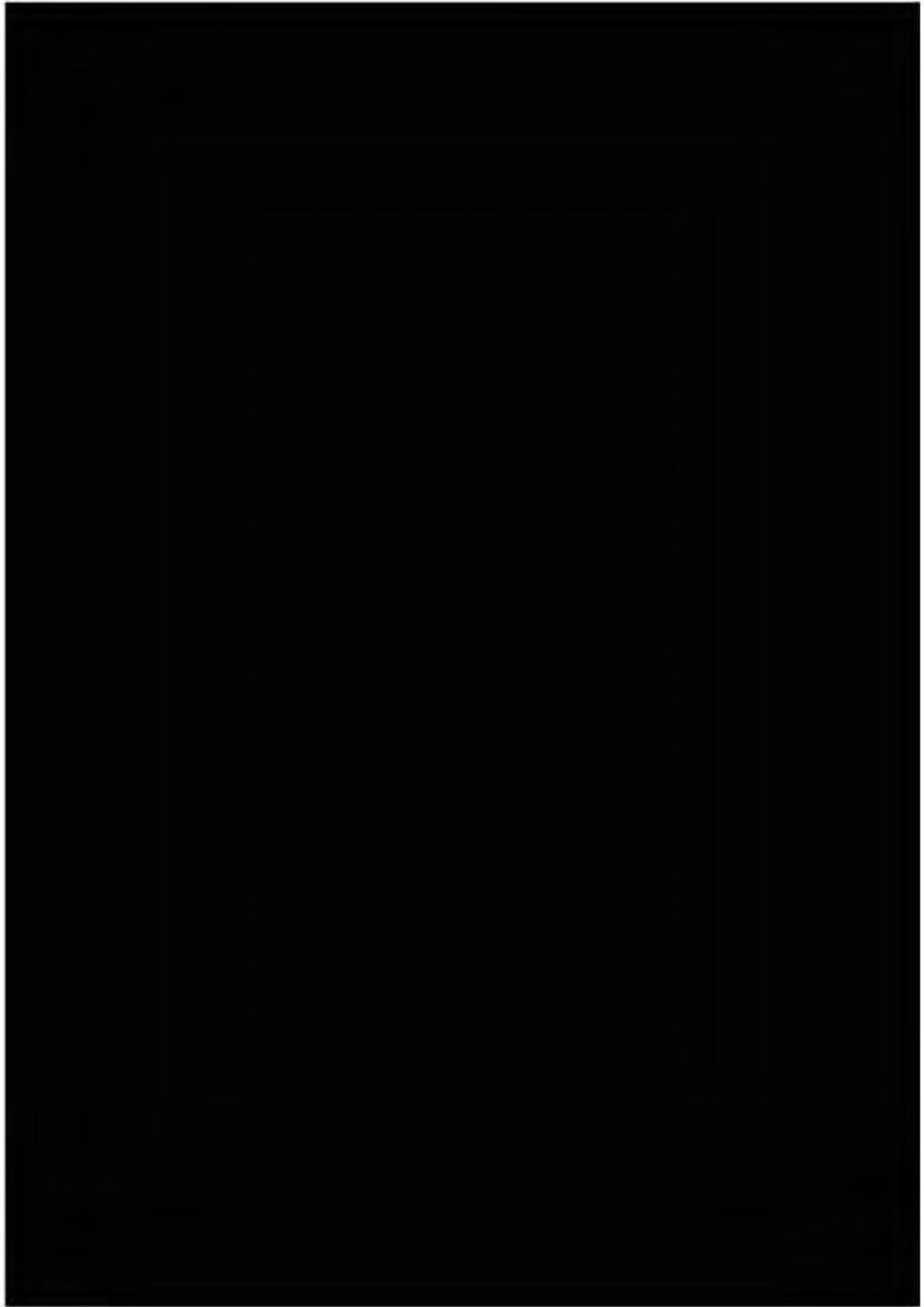
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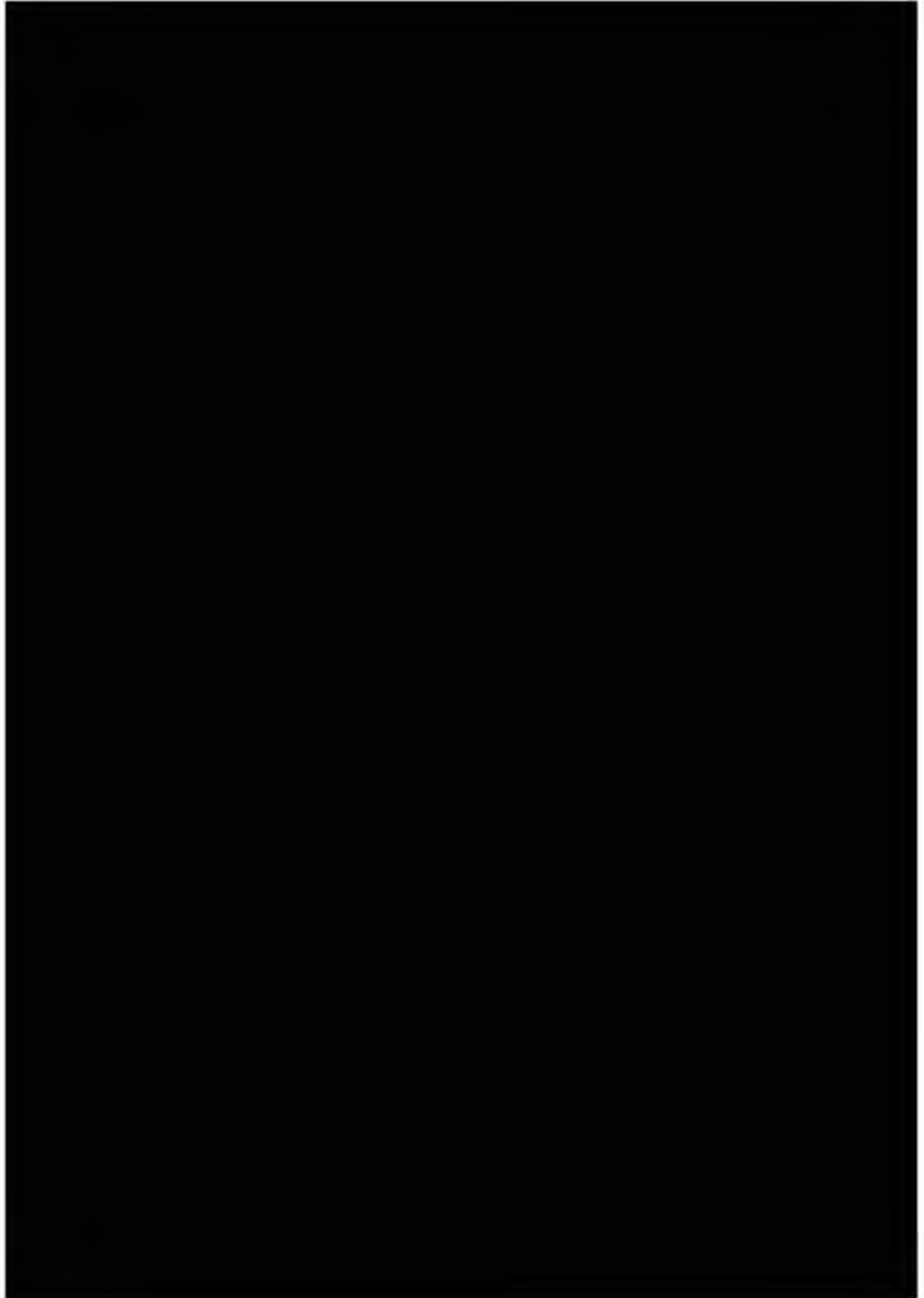
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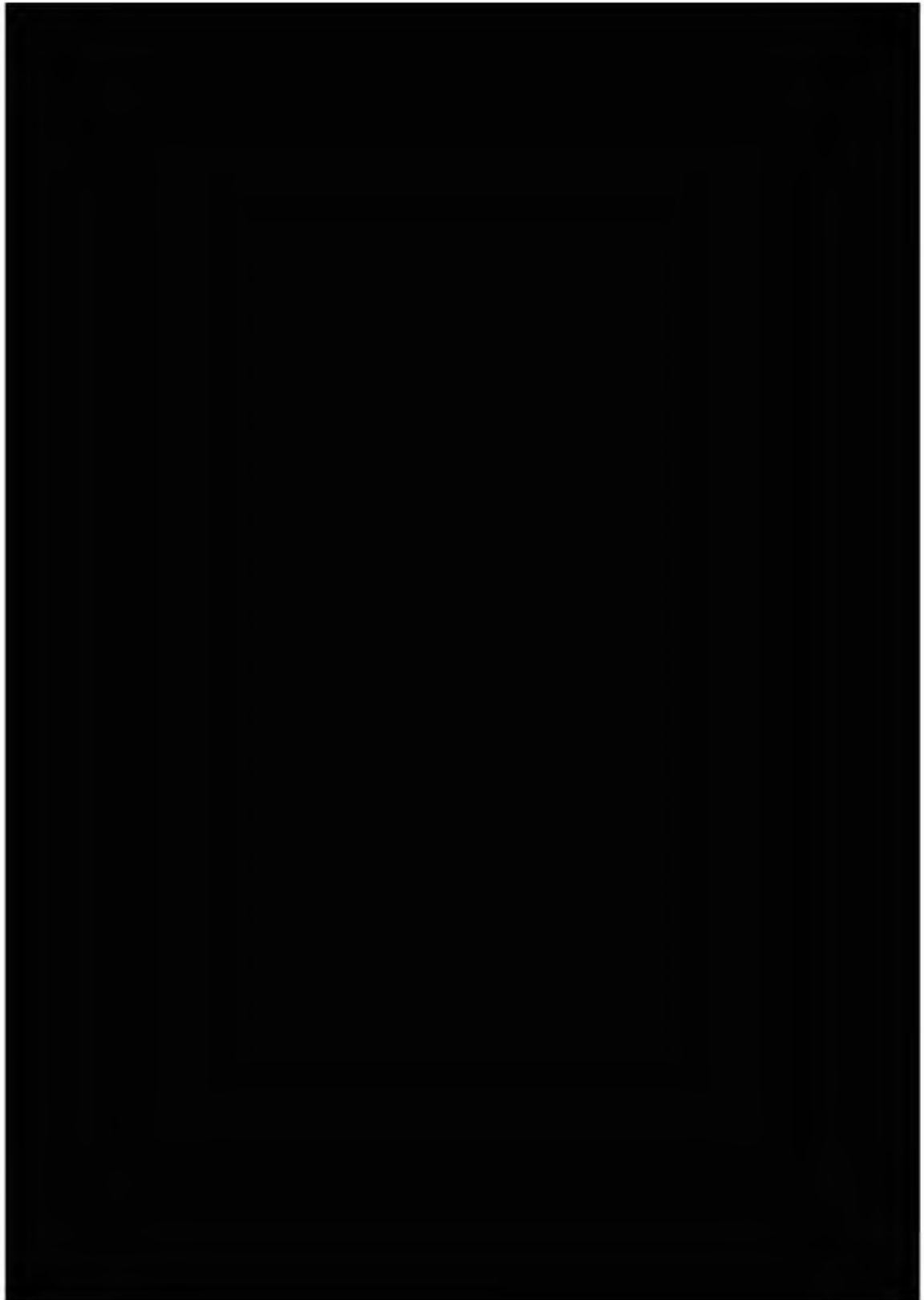
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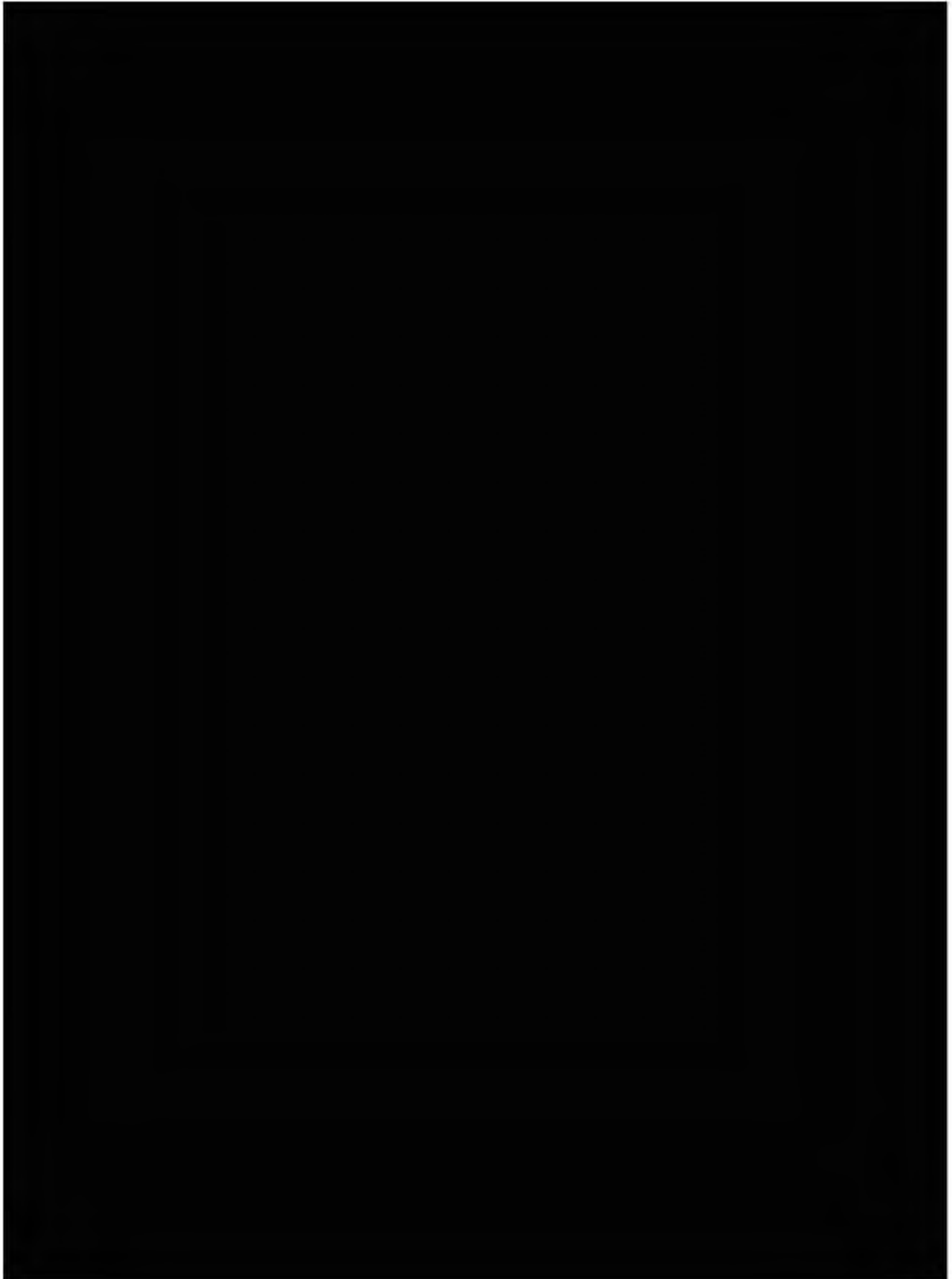
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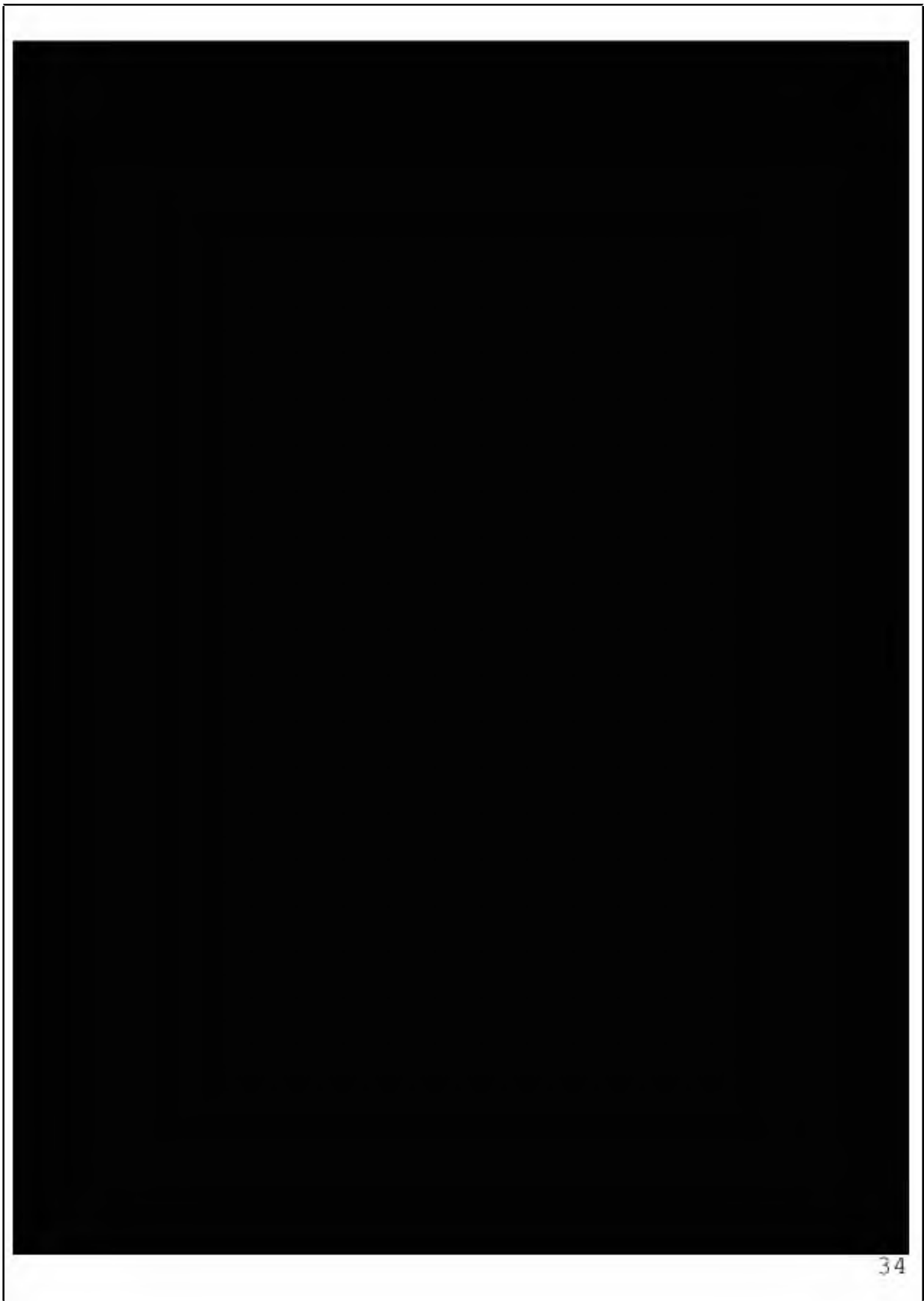
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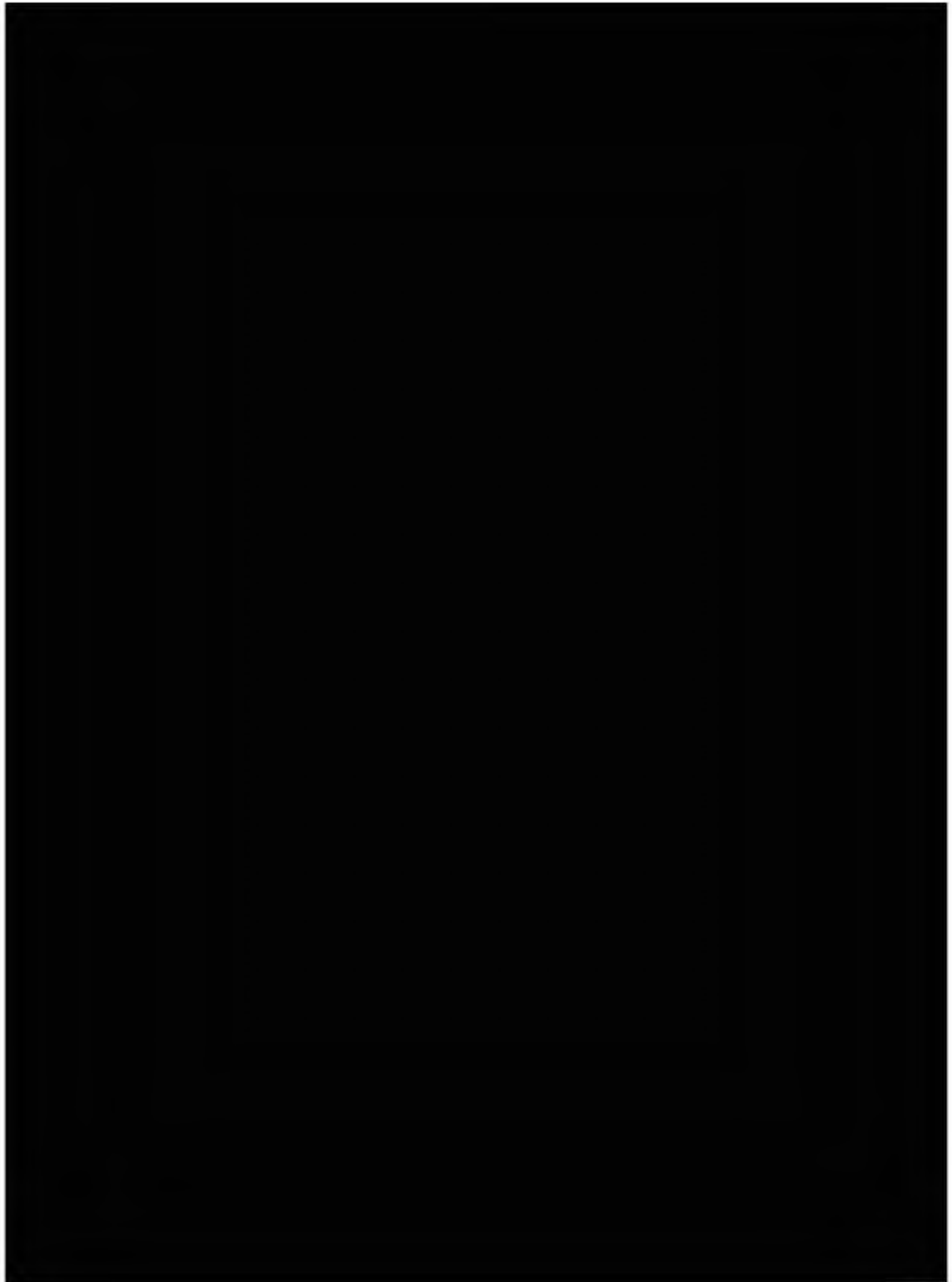
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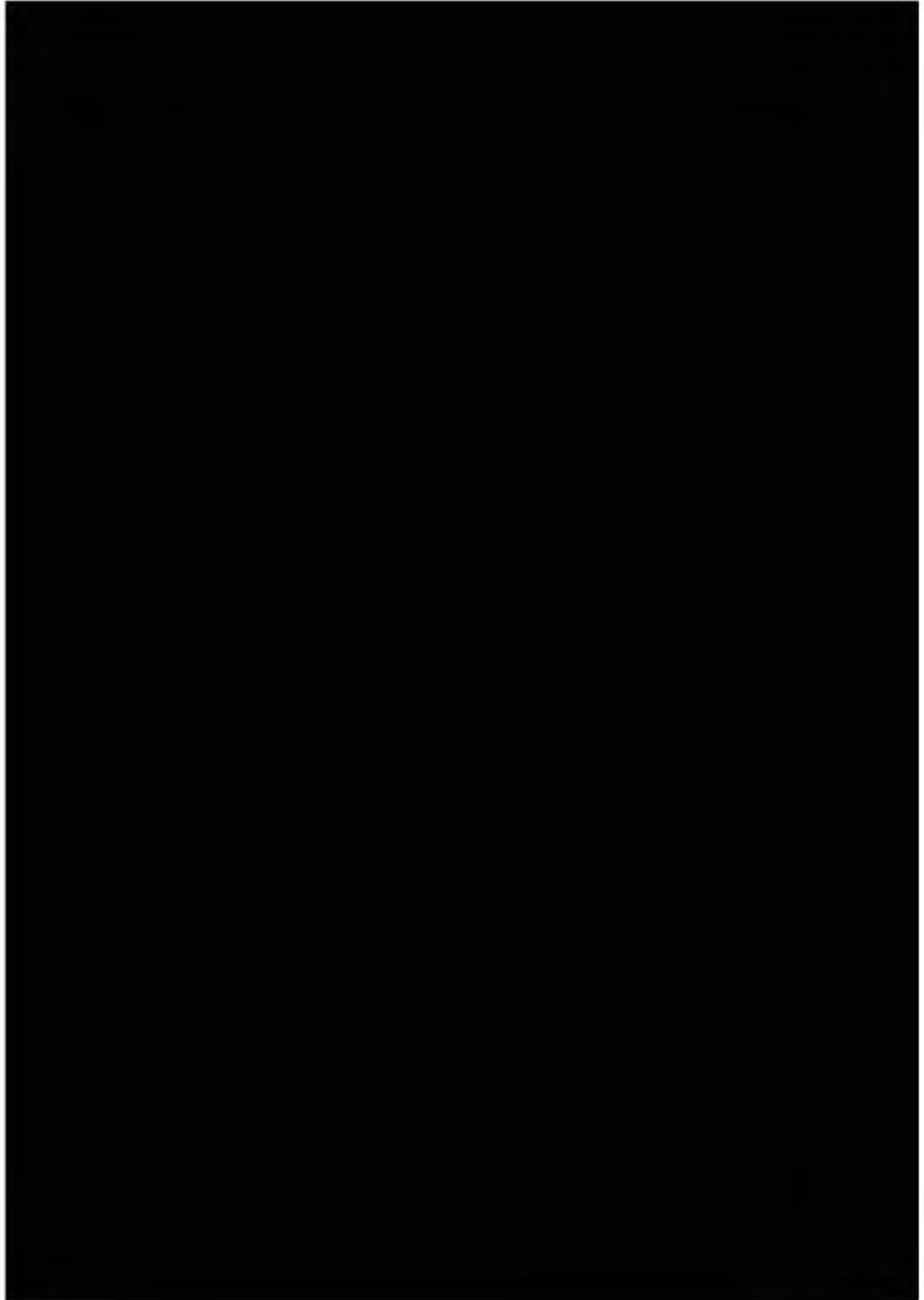
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09:32:02 1

[REDACTED]

Q. Where did you work prior to forming this company that you -- we just discussed?

09:32:16 4

A. I worked at Ripple.

09:32:18 5

Q. And do you recall what years or year you started working at Ripple?

09:32:39 7

A. I believe I started at Ripple in 2018.

09:32:46 8

Q. And what was your title at Ripple in 2018?

09:32:49 9

A. I was a senior vice president.

09:32:53 10

Q. Were you senior vice president of a particular department at Ripple?

09:32:56 12

A. Yes.

09:32:56 13

Q. What department?

09:32:58 14

A. It was a department called Xpring with an

09:33:03 15

X.

09:33:03 16

Q. And how long were you senior VP at Xpring?

09:33:10 17

A. About two-and-a-half years.

09:33:16 18

Q. Okay. And what was your salary as senior VP at Xpring?

09:33:27 20

A. I don't know exactly. I think

09:33:29 21

around [REDACTED].

09:33:35 22

Q. Was this based on U.S. dollars or

09:33:37 23

something else?

09:33:42 24

A. My salary was U.S. dollars.

09:33:45 25

Q. Did you receive any bonus at Ripple as

09:33:47 1 senior VP?

09:33:48 2 A. Yes.

09:33:49 3 Q. And in what form was the bonus?

09:33:51 4 A. I received a bonus both in U.S. dollars
09:33:54 5 and in XRP.

09:33:56 6 Q. Okay. Do you recall how much XRP you
09:33:59 7 received in bonus?

09:34:02 8 MS. ZORNBERG: Can you clarify as to when?

09:34:04 9 BY MS. GUERRIER:

09:34:05 10 Q. Well, we're talking about when you started
09:34:07 11 in 2018.

09:34:11 12 A. You mean to start my job?

09:34:14 13 Q. In 2018, do you recall how much XRP you
09:34:17 14 received from Ripple?

09:34:20 15 A. Are you asking me how much XRP I received
09:34:22 16 as a bonus in 2018?

09:34:24 17 Q. Yes.

09:34:26 18 A. I don't remember exactly 'cause it was not
09:34:28 19 a full year of employment. So I would say --
09:34:35 20 roughly call it [REDACTED] XRP.

09:34:40 21 Q. I'm sorry, how much?

09:34:41 22 A. [REDACTED].

09:34:42 23 Q. Okay. And did you receive any other XRP
09:34:47 24 in bonus, other than the [REDACTED]?

09:34:51 25 A. In 2018?

09:34:52 1 Q. All -- your entire time at Ripple.

09:34:56 2 A. Yes.

09:34:57 3 MS. ZORNBERG: Can --

09:34:57 4 BY MS. GUERRIER:

09:34:58 5 Q. Okay. And how much did you receive in XRP
09:35:01 6 during your entire time at Ripple?

09:35:06 7 MS. ZORNBERG: As bonus?

09:35:08 8 MS. GUERRIER: Yes.

09:35:15 9 THE WITNESS: I don't know the exact
09:35:17 10 numbers.

09:35:26 11 BY MS. GUERRIER:

09:35:26 12

09:35:28 13

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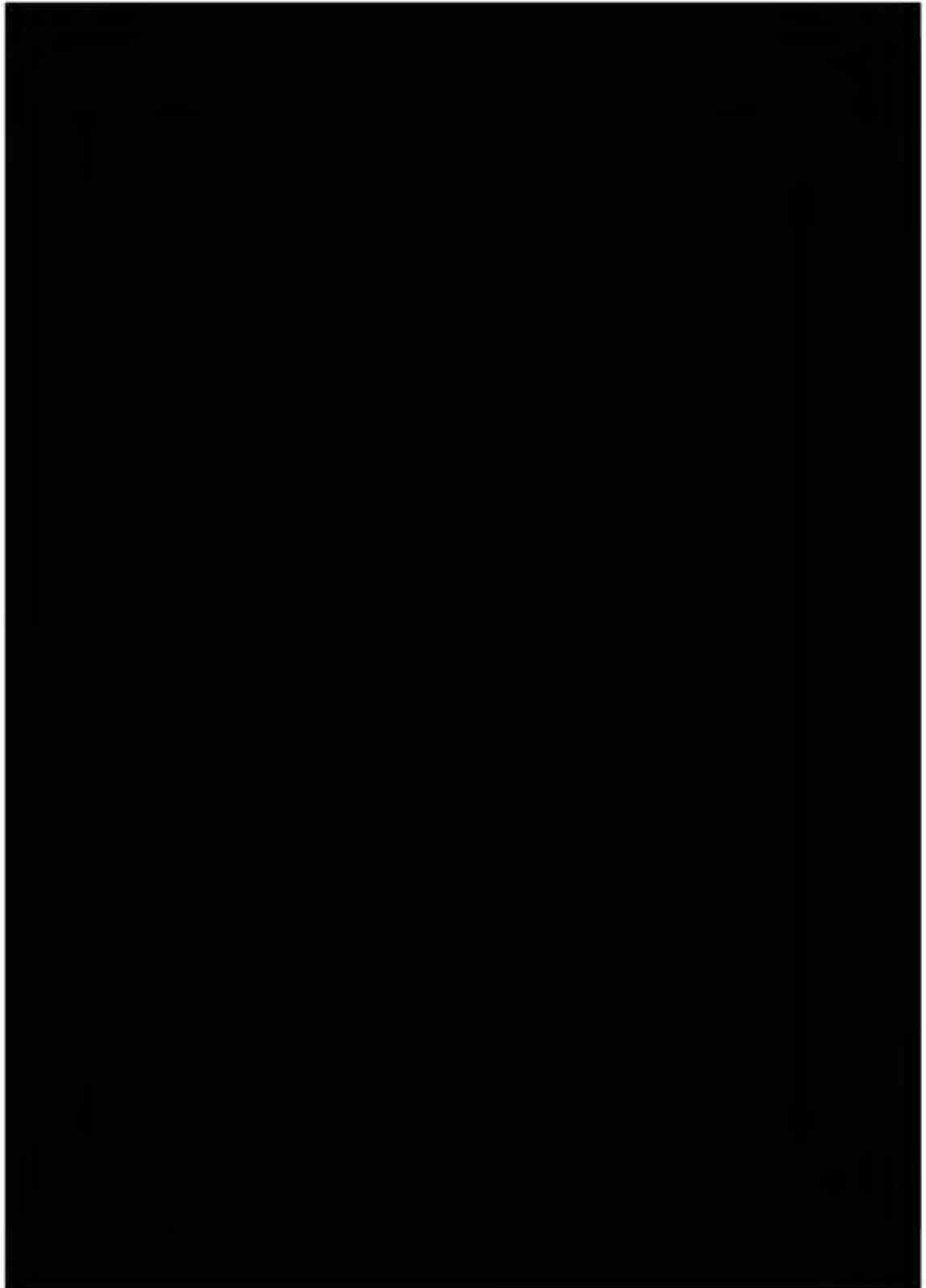
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09:37:05 1

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09:37:11 5 BY MS. GUERRIER:

09:37:30 6 Q. Did your title ever change at any time
09:37:32 7 when you worked at Xpring?

09:37:36 8 A. No.

09:37:38 9 Q. Okay. Did you report to anyone at Ripple
09:37:43 10 when you worked at Xpring?

09:37:45 11 A. Yes.

09:37:45 12 Q. Who did you report to?

09:37:49 13 A. Brad Garlinghouse.

09:37:49 14 Q. And who is Brad Garlinghouse?

09:37:52 15 A. He is the CEO of Ripple.

09:37:59 16 Q. Who interviewed you for your position at
09:38:01 17 Xpring?

09:38:03 18 A. There were a number of people I
09:38:04 19 interviewed with. I interviewed with Brad. I
09:38:12 20 interviewed with David Schwartz. I interviewed with
09:38:16 21 [REDACTED]. I interviewed with Asheesh Birla. I
09:38:28 22 interviewed with Ron Will.

09:38:35 23 That's the ones I can remember.

09:38:42 24 Q. What did Mr. Garling -- if anything -- did
09:38:45 25 Mr. Garlinghouse tell you about what your duties

09:38:48 1 were going to be at Xpring?

09:38:54 2 A. You want --

09:38:56 3 MS. ZORNBERG: Prior -- just can you fix a
09:38:57 4 time?

09:38:59 5 BY MS. GUERRIER:

09:38:59 6 Q. Well, we're talking about your interview.

09:39:01 7 A. You want the contents of all of our --

09:39:04 8 Q. No.

09:39:04 9 A. -- substantive -- of all our discussions?

09:39:06 10 Q. If you -- what -- let me just repeat the
09:39:09 11 question.

09:39:10 12 What did Mr. Garlinghouse, if anything,
09:39:11 13 did he tell you about what your duties were going to
09:39:14 14 be at Xpring when you interviewed?

09:39:18 15 A. He explained what the general role and
09:39:27 16 goals for Xpring were, as well as specifics around
09:39:30 17 what my team would be, where I'd be working, how
09:39:33 18 much I'd be getting paid, what the vision for the
09:39:37 19 company looked like.

09:39:46 20 Q. Okay. So what did you -- he tell you
09:39:49 21 about what your specific role was going to be?

09:39:52 22 A. My specific role was leading the Xpring
09:39:55 23 team and initiative.

09:40:02 24 Q. And you also stated that he told you what
09:40:05 25 the specific visions for the company was going to

09:40:07 1 be --

09:40:09 2 MS. ZORNBERG: Object to form.

09:40:09 3 BY MS. GUERRIER:

09:40:09 4 Q. -- is that correct?

09:40:12 5 A. We spent -- a spent a lot of time talking
09:40:15 6 with Brad prior to joining to understand the company
09:40:20 7 and the team and the role. And so we had broad,
09:40:30 8 wide-ranging conversations.

09:40:31 9 Q. You had conversations prior to the actual
09:40:33 10 interview for Xpring with Brad?

09:40:42 11 MS. ZORNBERG: Object to form. Maybe can
09:40:45 12 you -- can you clarify, was -- did you consider
09:40:48 13 there to be a formal interview with Brad or --

09:40:50 14 MS. GUERRIER: Okay. Let --

09:40:50 15 THE WITNESS: It was -- it was a wide --
09:40:52 16 like I've known Brad for a very long time, and so
09:40:55 17 I've had conversations with Brad for many, many
09:40:58 18 years.

09:40:58 19 BY MS. GUERRIER:

09:40:59 20 Q. When did you start talking with Brad about
09:41:01 21 the position that you ultimately got at Xpring?

09:41:07 22 A. I think early 2018.

09:41:10 23 Q. And what was the nature of these
09:41:15 24 conversations?

09:41:16 25 MS. ZORNBERG: Object to form. Asked and

09:41:16 1 answered.

09:41:21 2 THE WITNESS: They were about what Ripple,
09:41:23 3 the company, is building, the vision for Ripple, the
09:41:27 4 company, what the vision was around Xpring, and the
09:41:36 5 specifics around what it would look like to take on
09:41:38 6 that initiative.

09:41:40 7 BY MS. GUERRIER:

09:41:41 8 Q. And what did you speak with Brad about
09:41:44 9 regarding what the company was building?

09:41:47 10 MS. ZORNBERG: Object to form.

09:41:52 11 THE WITNESS: Can you be more specific?

09:41:53 12 BY MS. GUERRIER:

09:41:56 13 Q. Did you have specific discussions with
09:41:57 14 Brad about what the company was building when you
09:41:59 15 had these conversations as part of your interview?

09:42:05 16 MS. ZORNBERG: Object to form.

09:42:06 17 THE WITNESS: Yes.

09:42:07 18 BY MS. GUERRIER:

09:42:08 19 Q. So what were the conversations regarding
09:42:10 20 what the company was building?

09:42:12 21 A. For me, it was trying to understand what
09:42:15 22 Ripple is as a company. I want to be thoughtful
09:42:19 23 about where I invest my time and energy, and so I
09:42:23 24 wanted to understand what is -- what is Ripple
09:42:27 25 building, how is it thinking about the markets, the

09:42:29 1 industry, the products.

09:42:32 2 Q. And what did Mr. Garlinghouse tell you
09:42:34 3 about what the company was building when you were
09:42:37 4 speaking to them in that capacity?

09:42:41 5 A. I don't remember the specifics. And I
09:42:45 6 will say, having then gone to work at Ripple, my --
09:42:51 7 in my mind, what Ripple is building is very much
09:42:55 8 clouded -- clouded or -- very much a result of
09:42:57 9 where -- having spent two-and-a-half years there.

09:43:01 10 So it was very much around building
09:43:05 11 cross-border payments, trying to fix a broken
09:43:07 12 payments industry, trying to build a global
09:43:15 13 technology business.

09:43:16 14 Q. Were these the conversations prior to
09:43:18 15 being employed officially by Ripple?

09:43:23 16 A. I don't recall the specifics of the
09:43:24 17 conversations prior.

09:43:26 18 Q. Okay. Did anyone report to you at Ripple
09:43:40 19 beginning in 2018?

09:43:42 20 A. Yes.

09:43:43 21 Q. And who reported to you?

09:43:45 22 A. [REDACTED] and [REDACTED]

09:43:53 23 Q. Did [REDACTED] have a title?

09:43:56 24 A. I believe so.

09:43:57 25 Q. Do you recall what his title was in 2018?

09:44:00 1 A. I don't.

09:44:01 2 Q. How about [REDACTED], did he have a
09:44:05 3 title?

09:44:06 4 A. I'm sure he did. I don't remember what it
09:44:10 5 was.

09:44:11 6 Q. What was [REDACTED] job at Ripple in
09:44:17 7 2018?

09:44:17 8 A. Prior to me joining?

09:44:20 9 Q. When you joined. We're now talking about
09:44:22 10 when you started working there.

09:44:24 11 A. [REDACTED] was there before I was there.

09:44:26 12 Q. Right. And I asked you who -- did he
09:44:28 13 report to you.

09:44:28 14 A. When I joined, he started to report to me.

09:44:32 15 Q. Okay. So what was his job when -- what
09:44:34 16 was his job when you started working there?

09:44:37 17 A. His job was to identify companies,
09:44:43 18 primarily technology companies that, we could
09:44:47 19 potentially partner with and putting together those
09:44:50 20 partnerships.

09:44:50 21 Q. And [REDACTED], what was his job in
09:44:54 22 reporting to you?

09:44:55 23 A. [REDACTED] was a software engineer.

09:45:28 24 MS. ZORNBERG: At any point you need to
09:45:29 25 take a morning break, just let me know.

09:45:32 1 THE WITNESS: Okay. Thanks.

09:45:35 2 BY MS. GUERRIER:

09:45:42 3 Q. Now, prior to working at Ripple, did you
09:45:49 4 have any experience working with digital assets?

09:45:58 5 A. Yes.

09:45:58 6 Q. And where did you obtain this experience
09:46:00 7 working with digital assets?

09:46:03 8 A. I had invested in some companies that were
09:46:06 9 working in the cryptocurrency space.

09:46:09 10 Q. Okay. What companies?

09:46:11 11 A. A company called [REDACTED] and a company
09:46:17 12 called -- at the time, called [REDACTED].

09:46:23 13 Q. Do you recall when you invested in [REDACTED]
09:46:26 14 [REDACTED]?

09:46:27 15 A. Not specifically, no.

09:46:29 16 Q. Okay. And the company called [REDACTED], do
09:46:33 17 you recall when you invested?

09:46:35 18 A. I don't.

09:46:40 19 Q. Did you keep your investment with [REDACTED]
09:46:42 20 [REDACTED] after you started working with Ripple?

09:46:45 21 A. Yes. Both of those investments were in
09:46:47 22 private companies. So it's not possible to not be
09:46:53 23 an investor.

09:46:58 24 Q. Okay. Did you have any experience dealing
09:47:04 25 with blockchain technology prior to working for

09:47:07 1 Ripple?

09:47:09 2 A. Yes.

09:47:11 3 Q. What was your experience in dealing with
09:47:13 4 blockchain technology, prior to working for Ripple?

09:47:19 5 A. I would characterize it as a casual
09:47:21 6 interest in learning and understanding about a new
09:47:24 7 technology.

09:47:26 8 Q. Did you take any courses specific to
09:47:30 9 blockchain technology?

09:47:35 10 A. No.

09:47:35 11 Q. Can you briefly state your educational
09:47:38 12 experience?

09:47:38 13 A. Sure. I got an undergraduate from the
09:47:40 14 University of Pennsylvania with a Bachelor of
09:47:42 15 Science in economics. I got an MBA from New York
09:47:48 16 University.

09:47:56 17 Q. What year did you get your MBA from New
09:47:59 18 York University?

09:47:59 19 A. I graduated from NYU in 2003.

09:48:03 20 Q. And your degree in -- you said economics?

09:48:06 21 A. (Nods head.)

09:48:07 22 Q. What year did you obtain that degree?

09:48:09 23 A. I graduated from the University of
09:48:11 24 Pennsylvania in 1994.

09:48:21 25 Q. I believe you testified you reported to

09:48:23 1 Mr. Garlinghouse at Ripple?

09:48:25 2 A. Yes.

09:48:26 3 Q. Who else -- did you report to anyone else
09:48:28 4 other than Mr. Garlinghouse at Ripple?

09:48:31 5 A. No.

09:48:33 6 Q. Do you know a Christian Larsen?

09:48:35 7 A. Yes.

09:48:36 8 Q. Did you report to him at all at Ripple?

09:48:44 9 A. No.

09:48:44 10 Q. Did you interact with him in terms of your
09:48:47 11 job at Ripple?

09:48:49 12 MS. ZORNBERG: Object to form.

09:48:54 13 THE WITNESS: Can you be more -- clarify
09:48:55 14 what you mean like in terms of your job?

09:48:58 15 BY MS. GUERRIER:

09:48:59 16 Q. Sure.

09:48:59 17 In your capacity as senior VP at -- of
09:49:02 18 Xpring, did you work with Mr. Larsen?

09:49:05 19 MS. ZORNBERG: Object to form.

09:49:06 20 You can answer.

09:49:07 21 THE WITNESS: What do you -- what do you
09:49:07 22 mean by "work with"?

09:49:09 23 BY MS. GUERRIER:

09:49:10 24 Q. Did you have any business relationships at
09:49:13 25 Ripple with Mr. Larsen?

09:49:16 1 MS. ZORNBERG: Object to form.

09:49:17 2 You can answer.

09:49:19 3 THE WITNESS: I'm still not sure. What do
09:49:21 4 you mean by "business relationships."

09:49:23 5 BY MS. GUERRIER:

09:49:23 6 Q. Did Mr. Larsen and you discuss any
09:49:26 7 Ripple-related matters in the capacity of -- of the
09:49:29 8 business, meaning that as you as senior VP and him
09:49:34 9 in his capacity at Ripple?

09:49:36 10 A. Yes.

09:49:40 11 Q. And what types of conversations would you
09:49:42 12 have with Mr. Larsen regarding Ripple?

09:49:46 13 MS. ZORNBERG: Object to form.

09:49:48 14 You can answer.

09:49:50 15 THE WITNESS: My interactions with
09:49:52 16 Mr. Larsen were infrequent and generally giving him
09:49:59 17 a high-level perspective on what we were doing with
09:50:04 18 the Xpring initiative.

09:50:08 19 BY MS. GUERRIER:

09:50:13 20 Q. Did you report to anyone else other than
09:50:16 21 Mr. Garlinghouse?

09:50:17 22 A. No.

09:50:21 23 Q. Did you have weekly meetings where
09:50:23 24 Mr. Garlinghouse was present when you worked at
09:50:26 25 Ripple?

09:50:27 1 MS. ZORNBERG: Object to form.

09:50:31 2 THE WITNESS: We had weekly scheduled
09:50:33 3 meetings, yes.

09:50:35 4 BY MS. GUERRIER:

09:50:37 5 Q. Okay. And did Mr. Garlinghouse attend
09:50:38 6 those meetings?

09:50:39 7 MS. ZORNBERG: Object to form.

09:50:40 8 THE WITNESS: Not 100 percent of them.

09:50:45 9 BY MS. GUERRIER:

09:50:46 10 Q. Did anyone from your team attend those
09:50:48 11 meetings?

09:50:49 12 MS. ZORNBERG: Object to form and would
09:50:52 13 ask you to clarify which meetings you're talking
09:50:55 14 about.

09:50:57 15 BY MS. GUERRIER:

09:50:58 16 Q. Do you understand the question?

09:50:59 17 A. I understand the words. When you say
09:51:00 18 "these meetings," which meetings do you refer to?

09:51:04 19 Q. We were -- okay. I asked you if you had
09:51:05 20 weekly meetings --

09:51:06 21 A. Yes.

09:51:06 22 Q. -- and you said yes.

09:51:07 23 A. Yes.

09:51:08 24 Q. So did anyone working under you attend
09:51:10 25 these weekly meetings?

09:51:12 1 MS. ZORNBERG: Object to form. I think
09:51:13 2 the source of confusion is whether you had asked
09:51:16 3 previously about meetings with Mr. Garlinghouse or
09:51:18 4 meetings with his Xpring team.

09:51:20 5 BY MS. GUERRIER:

09:51:20 6 Q. Okay. Did anyone who worked with you on
09:51:25 7 the Xpring team attend these weekly meetings?

09:51:28 8 MS. ZORNBERG: Object to form.

09:51:29 9 THE WITNESS: Rarely.

09:51:30 10 BY MS. GUERRIER:

09:51:31 11 Q. So who attended the weekly meetings that
09:51:34 12 Ripple had?

09:51:37 13 MS. ZORNBERG: Object to form.

09:51:41 14 THE WITNESS: So I probably had 20 weekly
09:51:43 15 meetings on my calendar every week, if not more.
09:51:54 16 There were -- the weekly meeting that I would say
09:51:57 17 most consistently had Mr. Garlinghouse in it was the
09:52:01 18 weekly Ripple leadership meeting.

09:52:08 19 BY MS. GUERRIER:

09:52:09 20 Q. Were there any other types of meetings --

09:52:12 21 A. And then --

09:52:13 22 MS. ZORNBERG: Object to form.

09:52:14 23 THE WITNESS: Types of meeting with
09:52:15 24 Mr. Garlinghouse?

09:52:16 25 MS. GUERRIER: If you could let me finish

09:52:17 1 the question, I would, you know ...

09:52:21 2 Q. Were there other types of meetings where
09:52:23 3 Mr. Garlinghouse would be present, other than the
09:52:24 4 weekly leadership meetings?

09:52:27 5 MS. ZORNBERG: Objection.

09:52:30 6 THE WITNESS: I had a weekly-ish
09:52:34 7 one-on-one with Brad.

09:52:41 8 BY MS. GUERRIER:

09:52:42 9 Q. Any other meetings formal with
09:52:43 10 Mr. Garlinghouse, other than the leadership meetings
09:52:45 11 and the one-on-one meetings?

09:52:51 12 MS. ZORNBERG: Object to form. Please fix
09:52:51 13 a time. Are you asking about weekly? It's not
09:52:55 14 clear.

09:52:56 15 BY MS. GUERRIER:

09:52:56 16 Q. I'm talking about the weekly meetings
09:52:59 17 which I specifically stated --

09:53:01 18 MS. ZORNBERG: Objection to the use of the
09:53:02 19 term "weekly meeting" which has been undefined and
09:53:05 20 you haven't set a foundation.

09:53:07 21 MS. GUERRIER: Okay.

09:53:07 22 BY MS. GUERRIER:

09:53:08 23 Q. Can you answer the question?

09:53:09 24 A. Can you repeat the question?

09:53:11 25 MS. GUERRIER: Could you please repeat the

09:53:12 1 question.

09:53:12 2 (Record read by the reporter
09:53:12 3 as follows:

09:53:29 4 "QUESTION: Any other
09:53:29 5 meetings formal with
09:53:29 6 Mr. Garlinghouse, other than the
09:53:29 7 leadership meetings and the
09:53:29 8 one-on-one meetings?")

09:53:31 9 MS. ZORNBERG: Object to form.

09:53:37 10 You can answer if you understand "formal
09:53:40 11 meetings."

09:53:45 12 THE WITNESS: Yeah. I'm just trying to
09:53:46 13 understand how -- what exactly are you asking?

09:53:49 14 BY MS. GUERRIER:

09:53:49 15 Q. Well, let me try this.

09:53:50 16 A. Yeah.

09:53:50 17 Q. What types of meetings did you participate
09:53:53 18 in when you worked at Ripple?

09:54:01 19 A. Oh, that's a very challenging -- I -- all
09:54:04 20 I did was meetings. That was my job. So I had
09:54:09 21 meetings that were product meetings. I had meetings
09:54:14 22 that were HR meetings. I had meetings that were
09:54:17 23 communications meetings. I had meetings that were
09:54:20 24 finance meetings. I had meetings that were
09:54:22 25 engineering meetings. I had off sites. I had

09:54:27 1 leadership meetings. I had one-off meetings to talk
09:54:32 2 about a specific topic.

09:54:35 3 I met with companies from outside of
09:54:41 4 Ripple. I had meetings with my executive assistant
09:54:47 5 to help me stay coordinated. I had meetings around
09:54:50 6 travel. I had meetings around weekly planning and
09:54:56 7 monthly planning and quarterly planning. I had
09:55:00 8 meetings to prepare for meetings.

09:55:03 9 Q. So out of all the meetings that you named,
09:55:07 10 which were the meetings that -- where
09:55:09 11 Mr. Garlinghouse was present?

09:55:14 12 A. I wouldn't say --

09:55:15 13 MS. ZORNBERG: Object to form.

09:55:17 14 THE WITNESS: -- categorize any one of
09:55:18 15 them as -- the meetings that I had regularly with
09:55:22 16 Brad were the weekly leadership meeting and my
09:55:25 17 one-on-one.

09:55:26 18 BY MS. GUERRIER:

09:55:28 19 Q. Okay.

09:55:28 20 MS. ZORNBERG: If this is a convenient
09:55:29 21 time just to take a morning break, let us know if
09:55:32 22 there's a --

09:55:33 23 MS. GUERRIER: I just have one --

09:55:35 24 MS. ZORNBERG: Please.

09:55:35 25 MS. GUERRIER: -- to wrap up this and then

09:55:38 1 we can take a break.

09:55:39 2 BY MS. GUERRIER:

09:55:40 3 Q. Were any of the meetings that you had with
09:55:41 4 Mr. Garlinghouse, were they recorded, to your
09:55:45 5 knowledge?

09:55:46 6 A. Not to my knowledge.

09:55:50 7 Q. Okay. And any of the product meetings
09:55:56 8 that you had, do you know if they were recorded?

09:55:58 9 A. Not that I'm aware of.

09:56:01 10 Q. Okay. Any other remaining universe of
09:56:09 11 meetings that you identified, do you know if they
09:56:10 12 were recorded at all?

09:56:12 13 A. I think occasionally my -- my team Xpring
09:56:16 14 weekly all-hands meeting was recorded, because as we
09:56:23 15 got larger and we were in different time zones, it
09:56:27 16 became more challenging for people to attend the
09:56:29 17 meeting.

09:56:35 18 Q. Okay.

09:56:35 19 MS. GUERRIER: We can take a break.

09:56:37 20 THE VIDEOGRAPHER: Okay. Off the record
09:56:38 21 at 9:56 a.m.

09:56:40 22 (Whereupon, a recess was taken.)

10:09:15 23 THE VIDEOGRAPHER: This is the start of
10:09:16 24 file number 2. We're back on the record at
10:09:19 25 10:09 a.m.

10:09:20 1 BY MS. GUERRIER:

10:09:24 2 Q. Mr. Beard, I think we talked about the
10:09:28 3 Xpring initiatives earlier. Can you describe what
10:09:31 4 the Xpring initiatives is?

10:09:36 5 MS. ZORNBERG: Object to form.

10:09:36 6 THE WITNESS: Yes.

10:09:37 7 BY MS. GUERRIER:

10:09:38 8 Q. What is the Xpring initiative?

10:09:40 9 A. The Xpring initiative was an initiative to
10:09:46 10 build an ecosystem of companies that were building
10:09:51 11 on XRP Ledger.

10:10:01 12 Q. Was there any long-term goal for achieving
10:10:05 13 the Xpring initiative?

10:10:07 14 MS. ZORNBERG: Object to form.

10:10:10 15 THE WITNESS: A long-term -- our goal was
10:10:13 16 to have a lot of companies building on XRP Ledger.

10:10:22 17 BY MS. GUERRIER:

10:10:22 18 Q. And did your role as SVP of Xpring have
10:10:26 19 any influence in reaching this goal.

10:10:29 20 MS. ZORNBERG: Object to form.

10:10:34 21 THE WITNESS: I managed the team that was
10:10:36 22 trying to achieve that goal.

10:10:48 23 MS. GUERRIER: I have in my hand a
10:10:50 24 document premarked as Exhibit 2.

25 / /

10:10:52 1 (Whereupon, Deposition Exhibit EB-2
10:10:53 2 was marked for identification.)
10:10:55 3 MS. ZORNBERG: I'm sorry, do you want me
10:10:56 4 to hand this one to the witness? Oh.
10:11:10 5 ZOOM PARTICIPANT: What exhibit number is
10:11:11 6 this?
10:11:12 7 MS. GUERRIER: Exhibit 2.
10:11:16 8 MR. MOYE: EB-2.
10:11:18 9 BY MS. GUERRIER:
10:11:18 10 Q. And it's an email --
10:11:20 11 ZOOM PARTICIPANT: EB what?
10:11:21 12 MS. GUERRIER: EB-2.
10:11:23 13 ZOOM PARTICIPANT: Thank you.
10:11:23 14 BY MS. GUERRIER:
10:11:24 15 Q. It's an email from Brad Garlinghouse to
10:11:27 16 you dated May 8th, 2018.
10:11:30 17 Do you see that?
10:11:31 18 I'll give you an opportunity to just take
10:11:33 19 a look at that and let me know when you're done.
10:14:12 20 A. Okay.
10:14:13 21 Q. Do you know why Mr. Garlinghouse sent you
10:14:15 22 this document?
10:14:19 23 MS. ZORNBERG: Object to form.
10:14:19 24 THE WITNESS: No.
25 / /

10:14:20 1 BY MS. GUERRIER:

10:14:20 2 Q. Okay. Do you have a general understanding
10:14:21 3 of what this Exhibit 2 is?

10:14:26 4 A. Yes.

10:14:26 5 Q. And what is Exhibit 2?

10:14:30 6 A. Exhibit 2 is messaging around the launch
10:14:36 7 of Xpring.

10:14:38 8 Q. Now, was this provided to you by
10:14:42 9 Mr. Garlinghouse for a specific reason?

10:14:49 10 MS. ZORNBERG: Someone on Zoom needs to
10:14:51 11 mute. Thank you.

10:14:56 12 THE WITNESS: I wouldn't want to speak to
10:14:57 13 his reasoning as to why he sent it.

10:14:59 14 BY MS. GUERRIER:

10:15:00 15 Q. As part of your title as senior VP of
10:15:03 16 Xpring, is this the kind of information that you
10:15:06 17 would need to know?

10:15:10 18 MS. ZORNBERG: Object to form. And lack
10:15:11 19 of foundation that he was SVP at the time of this
10:15:15 20 email.

10:15:20 21 THE WITNESS: Yeah, I would -- I don't
10:15:21 22 know my exact start date, but actually I believe I
10:15:24 23 was -- I was not employed at Ripple at this time.

10:15:27 24 BY MS. GUERRIER:

10:15:28 25 Q. When did you start working at Ripple?

10:15:34 1 THE REPORTER: Did you say "start"?

10:15:36 2 THE WITNESS: Start.

10:15:36 3 MS. GUERRIER: Start.

10:15:38 4 THE WITNESS: I believe around June 1st
10:15:40 5 of 2018.

10:15:44 6 MS. GUERRIER: Let me hand you what's been
10:15:45 7 marked Exhibit 1.

10:15:47 8 (Whereupon, Deposition Exhibit EB-1
10:15:48 9 was marked for identification.)

10:16:09 10 THE WITNESS: Thank you.

10:16:14 11 BY MS. GUERRIER:

10:16:14 12 Q. Mr. Beard, do you recognize Exhibit 1?

10:16:22 13 A. It appears to be an unsigned employment
10:16:24 14 offer letter.

10:16:24 15 Q. Is that employment letter to you?

10:16:26 16 A. It is.

10:16:26 17 Q. Is it from Ripple?

10:16:28 18 A. Yes.

10:16:29 19 Q. Okay. Do you see the date on --

10:16:37 20 ZOOM PARTICIPANT: What exhibit number is
10:16:38 21 this?

10:16:39 22 MS. GUERRIER: 1.

10:16:40 23 BY MS. GUERRIER:

10:16:40 24 Q. Do you see the date on that letter?

10:16:42 25 A. I do.

10:16:42 1 Q. Okay. What is the date on that letter?

10:16:44 2 A. The date on this letter is May 9 of 2018.

10:16:47 3 Q. Does this refresh your recollection at all
10:16:50 4 of when you started working at Ripple?

10:16:55 5 MS. ZORNBERG: Object to form.

10:16:56 6 THE WITNESS: I don't believe this
10:16:57 7 document changes my recollection. I believe I
10:17:00 8 started in or around June 1st.

10:17:05 9 BY MS. GUERRIER:

10:17:06 10 Q. Okay. So when you were -- going back to
10:17:07 11 Exhibit 2, were you in discussions with
10:17:10 12 Mr. Garlinghouse about the growing the business for
10:17:16 13 Xpring?

10:17:17 14 MS. ZORNBERG: Object to form.

10:17:21 15 THE WITNESS: No.

10:17:22 16 BY MS. GUERRIER:

10:17:22 17 Q. Okay. Do you know why you received the
10:17:29 18 Xpring messaging email from Mr. Garlinghouse on
10:17:33 19 May 8th, 2018?

10:17:42 20 A. I don't want to speak for why
10:17:44 21 Mr. Garlinghouse sent this to me. Based on the
10:17:47 22 dates, it appears to be some overview of what the
10:17:53 23 job was that we were discussing.

10:17:55 24 Q. Okay. Did you request information from
10:17:57 25 Mr. Garlinghouse about the job that you would be

10:18:00 1 starting?

10:18:02 2 A. Yes.

10:18:02 3 Q. Okay. So was Exhibit 2 received in
10:18:06 4 response to a request from you about information?

10:18:09 5 A. I don't. I don't know.

10:18:12 6 Q. Okay. If you move down -- I'm still on
10:18:14 7 Exhibit 2 -- to under the topic "Overall/Narrative
10:18:19 8 Messaging," number 14, if you could please read that
10:18:29 9 into the record.

10:18:31 10 A. Sure. Number 14 says:

10:18:33 11 "As responsible stewards of
10:18:35 12 the XRP ecosystem, wanting to help
10:18:37 13 unlock XRP's full potential and
10:18:39 14 further build the liquidity and use
10:18:41 15 fullness of XRP, Ripple launched
10:18:44 16 Xpring, which will invest in,
10:18:46 17 incubate, acquire and provide
10:18:49 18 grants to companies and projects
10:18:50 19 run by proven entrepreneurs that
10:18:53 20 use the XRP Ledger and XRP."

10:18:57 21 Q. Now, when you were discussing your
10:18:59 22 potential job at Ripple with Mr. Garlinghouse, was
10:19:04 23 it your understanding that you would be assisting
10:19:10 24 with number 14?

10:19:12 25 MS. ZORNBERG: Object to form.

10:19:17 1 THE WITNESS: Yes.

10:19:17 2 BY MS. GUERRIER:

10:19:18 3 Q. Okay. Do you understand what the term
10:19:18 4 "liquidity" in number 14 means?

10:19:28 5 A. Yes.

10:19:30 6 Q. And what is your understanding of
10:19:31 7 liquidity as that is stated under number 14 in
10:19:34 8 Exhibit 2?

10:19:40 9 A. I would say my understanding of liquidity,
10:19:43 10 when it comes to cryptocurrency, is the ability to
10:19:53 11 get in and out of that cryptocurrency, to acquire it
10:19:55 12 and to buy it and/or sell it.

10:19:58 13 Q. Okay. So in the context of this email,
10:20:01 14 number 14, is this -- you have the exact same
10:20:05 15 understanding for liquidity?

10:20:08 16 MS. ZORNBERG: Object to form. Asked and
10:20:09 17 answered.

10:20:12 18 THE WITNESS: Yes.

10:20:12 19 BY MS. GUERRIER:

10:20:16 20 Q. And do you know how Xpring planned on
10:20:19 21 building liquidity for XRP, at the time that you
10:20:22 22 received this email in May of 2018?

10:20:26 23 A. No.

10:20:29 24 Q. Did you ask Mr. Garlinghouse how he
10:20:32 25 planned on building liquidity for XRP in May 2018?

10:20:39 1 A. No.

10:20:42 2 Q. Were you interested in determining, as
10:20:44 3 part of your new job at Xpring, how Xpring planned
10:20:50 4 on building liquidity for XRP?

10:20:59 5 MS. ZORNBERG: Object to form.

10:20:59 6 THE WITNESS: I think in May of 2018, I
10:21:01 7 did not appreciate the importance of liquidity for a
10:21:04 8 digital currency.

10:21:06 9 BY MS. GUERRIER:

10:21:07 10 Q. Okay. So what did Mr. Garlinghouse tell
10:21:09 11 you that your job at Xpring was going to be?

10:21:14 12 MS. ZORNBERG: Objection. Asked and
10:21:15 13 answered.

10:21:16 14 You can answer.

10:21:18 15 THE WITNESS: My understanding of my job,
10:21:19 16 from Mr. Garlinghouse and others at Ripple, was that
10:21:22 17 I was to build an ecosystem of companies that were
10:21:25 18 building on XRP Ledger.

10:21:34 19 BY MS. GUERRIER:

10:21:34 20 Q. So going back to number 14, it states
10:21:40 21 that:

10:21:40 22 "Ripple launched Xpring --
10:21:43 23 launched Xpring, will invest in,
10:21:44 24 incubate, acquire and provide grant
10:21:47 25 to companies and projects run by

10:21:51 1 entrepreneurs that use the XRP

10:21:54 2 Ledger and XRP."

10:21:56 3 Did you understand that this is the role

10:21:57 4 that you were going to help play at Ripple with

10:22:00 5 respect to what Xpring was required to do?

10:22:07 6 MS. ZORNBERG: Object to form.

10:22:09 7 THE WITNESS: I would say that -- that is

10:22:13 8 a -- this document is a messaging document for how

10:22:16 9 one communicates externally to the world of what

10:22:19 10 Xpring is. And so is a like narrow or carefully

10:22:31 11 crafted view as to what -- how we explain Xpring.

10:22:34 12 My understanding was that I was to build

10:22:36 13 an ecosystem of companies that were building on XRP

10:22:39 14 Ledger which might include these things here, but

10:22:42 15 that wasn't exactly how things were spelled out.

10:22:45 16 BY MS. GUERRIER:

10:22:45 17 Q. Okay. So how are things spelled out

10:22:48 18 differently for you compared to what is stated under

10:22:52 19 number 14?

10:22:55 20 MS. ZORNBERG: Object to form.

10:22:59 21 THE WITNESS: I would say that the job, as

10:23:05 22 I understood it, was broader, which was build an

10:23:10 23 ecosystem of companies building on XRP Ledger and

10:23:15 24 that might include investing, incubating, acquiring

10:23:20 25 or providing grants.

10:23:22 1 But was also -- I was of the understanding
10:23:25 2 that I could take a broad view as to how to
10:23:28 3 accomplish that goal.

10:23:32 4 BY MS. GUERRIER:

10:23:32 5 Q. Okay. So did Xpring have any role in
10:23:37 6 investing, incubating and acquiring and providing
10:23:47 7 grants to companies?

10:23:49 8 A. Yes.

10:23:51 9 Q. Did you help Xpring achieve these goals?

10:23:57 10 A. I helped Xpring invest in, incubate,
10:24:01 11 acquire and provide grants to companies.

10:24:03 12 Q. Okay. What are some of the companies that
10:24:13 13 you helped invest in, incubate, acquire and provide
10:24:19 14 grant to?

10:24:19 15 A. So there was quite a number of companies
10:24:23 16 that we worked with, so I don't recall all of them.
10:24:27 17 There are some that are listed here. For example,
10:24:30 18 the company [REDACTED], a company Coil, a company
10:24:37 19 [REDACTED]. We worked with a company [REDACTED]. Worked with
10:24:40 20 a company [REDACTED].

10:24:45 21 I honestly don't remember them all. There
10:24:48 22 was a lot of them.

10:25:17 23 Q. If you turn the page to the Bates at the
10:25:21 24 bottom that's -- it's SEC 0392730. Question and
10:25:29 25 answer. It's the next page, I believe.

10:25:33 1 A. Mh-hmm.

10:25:39 2 Q. So if you look at the next-to-last
10:25:43 3 question, what are you selecting and vetting -- I'm
10:25:47 4 sorry:

10:25:47 5 "How are you selecting and
10:25:48 6 vetting the projects you're
10:25:50 7 supporting?"

10:25:56 8 Okay. If you could please read the answer
10:25:58 9 to that question for the record.

10:26:00 10 A. Sure. The answer is:

10:26:03 11 "We're identifying and
10:26:04 12 pursuing projects right now (versus
10:26:07 13 evaluating in-bound pitches).
10:26:09 14 We'll work with great teams going
10:26:12 15 after well-defined and validated
10:26:14 16 market opportunities with clear
10:26:16 17 product-market fit using XRP."

10:26:19 18 Q. Do you have an understanding of what
10:26:21 19 market opportunities this is referring to?

10:26:28 20 A. No. This is very general.

10:26:31 21 Q. Okay. Do you have a general understanding
10:26:33 22 of market opportunities?

10:26:35 23 MS. ZORNBERG: Object to form.

10:26:38 24 BY MS. GUERRIER:

10:26:40 25 Q. In this context.

10:26:43 1 MS. ZORNBERG: Objection.

10:26:45 2 THE WITNESS: In this context, I would say
10:26:47 3 teams that are looking to build big businesses.

10:26:52 4 BY MS. GUERRIER:

10:26:54 5 Q. And do you have a general understanding of
10:26:55 6 what "clear product-market fit" means here?

10:27:04 7 A. Yeah.

10:27:04 8 Q. And what is your understanding of "clear
10:27:06 9 product-market fit"?

10:27:10 10 A. For me, product -- clear product-market
10:27:14 11 fit means a product that a given market wants to
10:27:19 12 adopt and use.

10:27:23 13 MR. LEB: Apologies, but some of the Zoom
10:27:25 14 participants are having trouble hearing the
10:27:28 15 questions.

10:27:28 16 MS. GUERRIER: Oh, okay. I'm sorry.

10:27:37 17 BY MS. GUERRIER:

10:27:38 18 Q. All right. So in your capacity as the
10:27:42 19 person who is going to be hired to work with Xpring,
10:27:46 20 is this one of the goals that you were required to
10:27:51 21 help achieve? And I'm referring to market
10:27:55 22 opportunities in clear product-market fit.

10:27:58 23 MS. ZORNBERG: Objection as to form.

10:28:02 24 You can answer if you understand the
10:28:03 25 question.

10:28:04 1 THE WITNESS: I would say in my capacity
10:28:06 2 it was my understanding that one of the tactics we'd
10:28:10 3 use was to work with great teams going after well
10:28:15 4 defined and validated market opportunities with
10:28:18 5 clear market fit.

10:28:19 6 BY MS. GUERRIER:

10:28:20 7 Q. So the market opportunities refer to the
10:28:25 8 sale of XRP --

10:28:26 9 A. No.

10:28:27 10 Q. -- in this context?

10:28:29 11 A. No.

10:28:30 12 Q. Okay. So did Xpring have any role in
10:28:36 13 creating market opportunity for XRP?

10:28:42 14 MS. ZORNBERG: Objection.

10:28:42 15 THE WITNESS: What do you mean by "market
10:28:44 16 opportunities for XRP."

10:28:46 17 BY MS. GUERRIER:

10:28:46 18 Q. Well, as we just looked at the term here,
10:28:48 19 I believe you defined what you thought market
10:28:51 20 opportunity is.

10:28:52 21 MS. ZORNBERG: Okay. Objection.
10:28:54 22 Misstates prior testimony.

10:28:58 23 BY MS. GUERRIER:

10:28:59 24 Q. So do you understand what "market
10:29:00 25 opportunity" means in the context of Exhibit 2 that

10:29:05 1 you -- we just read into the record?

10:29:08 2 MS. ZORNBERG: Object to form.

10:29:11 3 THE WITNESS: I believe I have an
10:29:12 4 understanding. I'm not sure you and I are of a
10:29:15 5 shared understanding, so maybe you can help me
10:29:18 6 understand what you think it means here.

10:29:20 7 BY MS. GUERRIER:

10:29:20 8 Q. Well, no. I want to know what you as
10:29:23 9 the --

10:29:24 10 A. Yes.

10:29:24 11 Q. -- soon to be, in 2018, senior VP of
10:29:30 12 Xpring understood market opportunities to mean in
10:29:34 13 this exhibit that you received from
10:29:36 14 Mr. Garlinghouse.

10:29:38 15 MS. ZORNBERG: Okay. Objection.
10:29:39 16 Misstates prior testimony. Asked and answered.

10:29:43 17 I would ask request that the questioner
10:29:45 18 restate the question. You're asking him about a
10:29:49 19 term --

10:29:50 20 MS. GUERRIER: Ma'am, let me --

10:29:51 21 MS. ZORNBERG: Yeah.

10:29:52 22 MS. GUERRIER: We don't -- we really do
10:29:53 23 not need for to you testify.

10:29:55 24 MS. ZORNBERG: I'm not testifying. The
10:29:57 25 questions are -- you're asking him about a draft

10:30:01 1 document --

10:30:01 2 MS. GUERRIER: Okay. Excuse me.

10:30:01 3 MS. ZORNBERG: -- that he did not draft,
10:30:03 4 and I'm trying to help you ask clear questions.

10:30:07 5 MS. GUERRIER: I don't need your help,
10:30:09 6 thank you.

10:30:09 7 MS. ZORNBERG: Okay. Put the question.

10:30:10 8 BY MS. GUERRIER:

10:30:11 9 Q. This is an email that you received from
10:30:15 10 Brad Garlinghouse. Is that correct?

10:30:16 11 A. Yes.

10:30:17 12 Q. Is this a draft email, to your knowledge?

10:30:22 13 MS. ZORNBERG: Object to form.

10:30:23 14 THE WITNESS: What do you mean by "draft
10:30:24 15 email"?

10:30:25 16 BY MS. GUERRIER:

10:30:25 17 Q. Do you see any draft stated on this email?

10:30:28 18 MS. ZORNBERG: Object to form.

10:30:34 19 THE WITNESS: I don't see anything
10:30:35 20 indicating that it's a draft.

10:30:37 21 BY MS. GUERRIER:

10:30:37 22 Q. Okay. Let's go back to the page with the
10:30:44 23 Bates number 0392730.

10:31:02 24 Now, do you have an understanding of what
10:31:06 25 "market opportunities" means under the next to last

10:31:14 1 question that you read into the record?

10:31:21 2 A. Yes.

10:31:22 3 Q. What is -- again, just for the record, if
10:31:24 4 you could just tell me, what is your understanding
10:31:26 5 of "market opportunities"?

10:31:28 6 A. "Market opportunities" are markets where
10:31:32 7 you can build a product, big markets where you can
10:31:35 8 build a big business.

10:31:38 9 Q. Okay. And the job that you were applying
10:31:41 10 for, did you understand that that was going to be
10:31:43 11 one of your duties?

10:31:45 12 MS. ZORNBERG: Object to form.

10:31:46 13 THE WITNESS: What was going to be one of
10:31:48 14 my duties?

10:31:49 15 BY MS. GUERRIER:

10:31:51 16 Q. Helping create market opportunities.

10:31:53 17 MS. ZORNBERG: Objection.

10:31:54 18 THE WITNESS: No.

10:31:54 19 BY MS. GUERRIER:

10:31:55 20 Q. Okay.

10:31:56 21 A. My job was to work with great teams going
10:31:59 22 after well-defined and validated market
10:32:01 23 opportunities.

10:32:02 24 Q. Okay. What types of market opportunities
10:32:04 25 were you going to be going after?

10:32:07 1 MS. ZORNBERG: Object to form.

10:32:08 2 THE WITNESS: We weren't going after
10:32:09 3 market opportunities. We were working with teams
10:32:11 4 that were going after market opportunities. So, for
10:32:14 5 example, [REDACTED] was a company that would allow you to
10:32:18 6 store products and rent them out to someone. So if
10:32:22 7 you had a surf board, for example, that you weren't
10:32:25 8 using, you could put it in the [REDACTED] service and
10:32:27 9 someone could come along and rent your surf board
10:32:30 10 for an afternoon.

10:32:32 11 And so that was a business trying to go
10:32:34 12 after a market opportunity, which is all the stuff
10:32:37 13 we all keep in storage that's not -- that's useless
10:32:41 14 to us and you can help people make money out of
10:32:43 15 these things. So that is a market opportunity in
10:32:45 16 the same way that Uber might go after the taxi cab
10:32:49 17 business as a multibillion dollar market
10:32:52 18 opportunity.

10:32:53 19 BY MS. GUERRIER:

10:32:53 20 Q. Were any of these market opportunities
10:32:55 21 related to XRP?

10:32:57 22 A. No.

10:32:57 23 Q. And why not?

10:33:11 24 MS. ZORNBERG: Objection.

10:33:16 25 Please answer if you understand.

10:33:18 1 THE WITNESS: I'm not sure I understand
10:33:19 2 when you say -- what do you mean when you say
10:33:21 3 "market opportunities related to XRP"?

10:33:24 4 BY MS. GUERRIER:

10:33:25 5 Q. Okay. So if you -- the answer to the
10:33:26 6 question that you read into the record says that:

10:33:29 7 "We'll work with great teams
10:33:31 8 going after well-defined and
10:33:33 9 validated market opportunities with
10:33:35 10 clear product-market fit using
10:33:38 11 XRP."

10:33:38 12 A. Yes.

10:33:39 13 Q. Okay. So does that help you understand my
10:33:43 14 question?

10:33:45 15 MS. ZORNBERG: Object. Objection.

10:33:46 16 THE WITNESS: Can you repeat your
10:33:47 17 question?

10:33:49 18 BY MS. GUERRIER:

10:33:49 19 Q. Okay. Were any of the market
10:33:51 20 opportunities that -- in this context, in the
10:33:56 21 context of the -- Exhibit 2, related to XRP?

10:34:02 22 A. No. We were working with start-ups that
10:34:04 23 were trying to build businesses, and to build a
10:34:07 24 business, you have to have a market that you
10:34:09 25 identify that is legitimate and creates an

10:34:14 1 opportunity for you to build a business. So we were
10:34:19 2 looking for great teams that were trying to build
10:34:22 3 real businesses.

10:34:23 4 Q. But did it have any ultimate goal of
10:34:26 5 helping XRP?

10:34:31 6 MS. ZORNBERG: Object to form.

10:34:32 7 THE WITNESS: Did what?

10:34:33 8 BY MS. GUERRIER:

10:34:34 9 Q. Your working with businesses to create
10:34:35 10 market opportunities, did it ultimate -- was it
10:34:38 11 ultimately to benefit XRP?

10:34:41 12 MS. ZORNBERG: Object to form.

10:34:41 13 THE WITNESS: We didn't work with
10:34:42 14 businesses to create market opportunities.

10:34:45 15 BY MS. GUERRIER:

10:34:45 16 Q. Okay.

10:34:45 17 A. We worked with teams that were going after
10:34:48 18 interesting markets.

10:34:57 19 Q. And why were you working with teams that
10:34:59 20 were going after interesting markets?

10:35:02 21 A. Because those were the teams that we
10:35:04 22 thought would be able to be -- build successful
10:35:07 23 businesses.

10:35:07 24 Q. Okay.

10:35:07 25 A. If you're going after a small market,

10:35:10 1 you're not going to be a successful company.

10:35:14 2 Q. Right.

10:35:14 3 So did -- having these businesses that
10:35:17 4 were going to be successful, was that to benefit
10:35:21 5 XRP?

10:35:23 6 MS. ZORNBERG: Object to form.

10:35:25 7 You can answer if you understand.

10:35:29 8 THE WITNESS: What do you mean by "benefit
10:35:31 9 XRP"?

10:35:32 10 BY MS. GUERRIER:

10:35:33 11 Q. Was it to create interest in XRP?

10:35:40 12 A. It was to allow them to use XRP to -- as a
10:35:43 13 technology. XRP and XRP Ledger as a technology to
10:35:48 14 solve problems and build products.

10:35:51 15 Q. Okay. So would your work with Xpring
10:36:11 16 benefit Ripple?

10:36:16 17 MS. ZORNBERG: Object to form.

10:36:23 18 THE WITNESS: You're asking me if my work
10:36:26 19 for Xpring would benefit Ripple?

10:36:27 20 BY MS. GUERRIER:

10:36:28 21 Q. Yes.

10:36:28 22 A. If we did well.

10:36:30 23 Q. All right. So would it be by using XRP?

10:36:35 24 MS. ZORNBERG: Objection.

10:36:36 25 THE WITNESS: By whom using XRP?

10:36:38 1 BY MS. GUERRIER:

10:36:39 2 Q. By Xpring using XRP.

10:36:41 3 MS. ZORNBERG: Objection.

10:36:43 4 THE WITNESS: We were trying to build an
10:36:45 5 ecosystem of companies that were using XRP.

10:37:32 6 MS. ZORNBERG: Thank you.

10:37:33 7 MS. GUERRIER: I've handed you a document
10:37:46 8 marked, I believe, Exhibit 4.

10:37:50 9 (Whereupon, Deposition Exhibit EB-4
10:37:50 10 was marked for identification.)

10:37:51 11 BY MS. GUERRIER:

10:37:51 12 Q. And it's an email from Mr. Garlinghouse to
10:37:53 13 you dated May 12, 2018. If you can just take a look
10:37:58 14 at that for a second.

10:39:33 15 A. Okay.

10:39:36 16 Q. So do you recognize this Exhibit 4 that
10:39:38 17 I've handed to you?

10:39:41 18 A. It appears to be an email from Brad to
10:39:43 19 myself.

10:39:45 20 Q. Do you have a general understanding of
10:39:47 21 what this email from Brad to you is about?

10:39:51 22 A. Yes.

10:39:53 23 Q. Can you tell us what this is?

10:39:54 24 A. This email is a document that [REDACTED]
10:40:02 25 put together with his thoughts on the XRP ecosystem.

10:40:08 1 Q. Okay. So if -- can you just define what
10:40:12 2 do you mean by "XRP ecosystem"?

10:40:17 3 MS. ZORNBERG: Objection. And those are
10:40:18 4 [REDACTED] words.

10:40:20 5 MS. GUERRIER: Right. I'm not asking
10:40:21 6 about [REDACTED].

10:40:22 7 MS. ZORNBERG: Your question was your use
10:40:23 8 of the term "XRP ecosystem."

10:40:26 9 MS. GUERRIER: Can you repeat my question,
10:40:29 10 please.

10:40:29 11 (Record read by the reporter
10:40:29 12 as follows:

10:40:38 13 "QUESTION: Okay. So if --
10:40:38 14 can you just define what do you
10:40:38 15 mean by 'XRP ecosystem'?"

10:40:40 16 MS. ZORNBERG: Objection.

10:40:42 17 BY MS. GUERRIER:

10:40:43 18 Q. Okay. Earlier, you talked about what your
10:40:46 19 job would be in building an ecosystem.

10:40:49 20 Is that a correct statement?

10:40:50 21 A. Yes.

10:40:51 22 Q. Okay. Can you describe or define what you
10:40:53 23 mean by "ecosystem"?

10:40:55 24 A. Yes. A group of companies all using a
10:41:00 25 shared set of technology.

10:41:05 1 Q. And was the plan to create an ecosystem
10:41:11 2 system for XRP?

10:41:13 3 MS. ZORNBERG: Object to form.

10:41:14 4 THE WITNESS: At what point?

10:41:15 5 BY MS. GUERRIER:

10:41:16 6 Q. Well, in 2018, when you were discussing
10:41:18 7 your potential job, was the plan to create an
10:41:22 8 ecosystem for XRP?

10:41:24 9 MS. ZORNBERG: Objection.

10:41:27 10 THE WITNESS: I don't know what the plan
10:41:27 11 was. I hadn't joined the company yet. But the
10:41:30 12 discussions that I had with Brad and others at
10:41:32 13 Ripple was about setting that up as a goal.

10:41:37 14 BY MS. GUERRIER:

10:41:37 15 Q. Okay. So if you take a look at the
10:41:41 16 document that I handed you, Exhibit 4 with Bates
10:41:45 17 0431803, do you see where it says "Goal for the XRP
10:41:51 18 Ecosystem"?

10:41:53 19 A. I do.

10:41:53 20 Q. Can you read number 2 into the record.

10:41:56 21 A. The first one on the list?

10:41:58 22 Q. Number 2.

10:41:59 23 A. Sorry, the second on the list --

10:42:00 24 Q. Yes.

10:42:01 25 A. -- or the one number 2? Sorry, the first

10:42:03 1 one is numbered 2, the second one is numbered 5.

10:42:06 2 Q. Okay. So are we looking at Exhibit 4,
10:42:09 3 "Setting up the XRP Ecosystem for Success"?

10:42:13 4 A. Yes. Yeah.

10:42:14 5 Q. Okay. So under -- do you see where it
10:42:16 6 says "Goals" --

10:42:17 7 A. Yes.

10:42:17 8 Q. -- for the XRP." There's number one,
10:42:19 9 number 2?

10:42:20 10 A. Yes.

10:42:20 11 Q. Can you read what number 2 is?

10:42:23 12 A. Sure.

10:42:23 13 "Drive utility and liquidity
10:42:26 14 for XRP."

10:42:27 15 MS. ZORNBERG: Just so the record's clear
10:42:28 16 number one is blank and the formatting has a number
10:42:31 17 of blank numbers.

10:42:33 18 BY MS. GUERRIER:

10:42:33 19 Q. Okay. So is it your understanding that
10:42:37 20 that the XRP ecosystem, the goal was to drive
10:42:41 21 utility and liquidity for XRP?

10:42:45 22 MS. ZORNBERG: Object to form.

10:42:47 23 THE WITNESS: The goal for whom?

10:42:49 24 BY MS. GUERRIER:

10:42:50 25 Q. Well, this is an email directed to you,

10:42:57 1 correct?

10:42:57 2 A. Yes.

10:42:59 3 Q. Okay. And it's basically discussing
10:43:01 4 setting up the ecosystem for success.

10:43:05 5 So in this context, when it says the goal,
10:43:09 6 number 2, is to drive utility and liquidity for XRP,
10:43:13 7 is this your understanding of what the goal for XRP
10:43:18 8 was at the time that this email was sent?

10:43:20 9 MS. ZORNBERG: Object to form.

10:43:22 10 THE WITNESS: What do you mean by "the
10:43:23 11 goal for XRP"?

10:43:25 12 BY MS. GUERRIER:

10:43:25 13 Q. Well, those are the words that are on --
10:43:27 14 on the email, correct?

10:43:29 15 A. You mean "goal for the XRP ecosystem"?

10:43:33 16 Q. Yes.

10:43:35 17 A. So my reading of this document is that
10:43:36 18 [REDACTED] had put together some thoughts as to if
10:43:43 19 you want wanted to set up the XRP ecosystem for
10:43:48 20 success, there's some potential goals for the XRP
10:43:51 21 ecosystem.

10:43:51 22 Q. Your job, the job that you were going to
10:43:53 23 start, was to create an ecosystem for XRP?

10:43:58 24 A. An eco --

10:43:59 25 MS. ZORNBERG: Objection.

10:44:00 1 THE WITNESS: My understanding of my job
10:44:01 2 was to build an ecosystem around companies building
10:44:03 3 on XRP Ledger.

10:44:05 4 BY MS. GUERRIER:

10:44:06 5 Q. Okay. So part of the goals for the XRP
10:44:08 6 ecosystem included driving utility and liquidity for
10:44:14 7 XRP, to your knowledge?

10:44:15 8 MS. ZORNBERG: Objection.

10:44:18 9 THE WITNESS: I -- I don't know. I
10:44:19 10 wouldn't want to speak for the goals of the company
10:44:22 11 before I joined.

10:44:23 12 BY MS. GUERRIER:

10:44:23 13 Q. Did you ever speak with Brad Garlinghouse
10:44:26 14 about what the goals for the XRP ecosystem were?

10:44:31 15 A. Yes.

10:44:33 16 Q. And what did he tell you that the goals
10:44:36 17 for the XRP ecosystem were?

10:44:42 18 A. I would say more often I was trying to set
10:44:45 19 forth -- this is before I joined. So prior to
10:44:50 20 joining, I'm not sure he said anything. But
10:44:52 21 certainly I was trying to build an ecosystem of
10:44:55 22 companies using XRP Ledger. And in order to do that
10:45:00 23 effectively, would look to set the goals for my team
10:45:02 24 and my organization.

10:45:05 25 Q. Okay. Well, did you ask any questions

10:45:07 1 when you received this email about what the utility
10:45:10 2 and liquidity for XRP meant?

10:45:13 3 A. I don't remember.

10:45:14 4 Q. Okay. Would that have been of interest to
10:45:16 5 you?

10:45:18 6 MS. ZORNBERG: Objection.

10:45:21 7 THE WITNESS: Presumably. This is a long
10:45:23 8 document. I think all of it would have been of
10:45:25 9 interest.

10:45:26 10 BY MS. GUERRIER:

10:45:26 11 Q. Okay. So was driving utility a primary
10:45:29 12 component of the XRP ecosystem --

10:45:33 13 MS. ZORNBERG: Object to form.

10:45:33 14 BY MS. GUERRIER:

10:45:34 15 Q. -- at the time that you were interviewing?

10:45:37 16 MS. ZORNBERG: Object to form.

10:45:39 17 THE WITNESS: I -- I don't know what the
10:45:41 18 goals for the team were at the time, prior to me
10:45:44 19 joining.

10:45:45 20 BY MS. GUERRIER:

10:45:46 21 Q. You are on this email, right?

10:45:48 22 MS. ZORNBERG: Objection.

10:45:49 23 THE WITNESS: I am, yes.

10:45:58 24 BY MS. GUERRIER:

10:45:58 25 Q. Do you have any understanding whether

10:46:00 1 these statements were true at the time that you
10:46:03 2 received this email, the statements about the goals
10:46:06 3 for the XRP ecosystem being to drive utility and
10:46:11 4 liquidity for XRP?

10:46:15 5 A. I don't know.

10:46:16 6 Q. Well, do you have any reason to believe
10:46:17 7 that they were false?

10:46:19 8 MS. ZORNBERG: Objection.

10:46:21 9 THE WITNESS: I don't know how to answer
10:46:22 10 that question.

10:46:23 11 BY MS. GUERRIER:

10:46:24 12 Q. What do you -- can you elaborate?

10:46:27 13 MS. ZORNBERG: Objection.

10:46:28 14 If you don't understand the question,
10:46:29 15 there's nothing to elaborate.

10:46:32 16 MS. GUERRIER: I'm not sure he said he
10:46:33 17 doesn't understand the question. He said he doesn't
10:46:35 18 know how to answer the question. So if you could
10:46:36 19 just --

10:46:37 20 THE WITNESS: Sure, can you repeat the
10:46:38 21 question?

10:46:38 22 BY MS. GUERRIER:

10:46:41 23 Q. Do you have any reason to believe that the
10:46:44 24 statement that the goals for the XRP ecosystem,
10:46:48 25 including drive utility and liquidity for XRP, is an

10:46:53 1 incorrect statement?

10:46:57 2 MS. ZORNBERG: Object to form.

10:47:01 3 THE WITNESS: What do you mean by

10:47:02 4 "incorrect statement"?

10:47:05 5 BY MS. GUERRIER:

10:47:05 6 Q. Well, do you have any reason to doubt that
10:47:07 7 the goals for the XRP ecosystem include the drive
10:47:11 8 utility and liquidity for XRP?

10:47:13 9 MS. ZORNBERG: Object to form.

10:47:14 10 THE WITNESS: I believe it -- I have no
10:47:15 11 reason to doubt that [REDACTED] wrote this.

10:47:19 12 BY MS. GUERRIER:

10:47:19 13 Q. That's not my question, though.

10:47:21 14 I'm asking you, do you have any reason to
10:47:23 15 believe that this statement, the goal -- under the
10:47:27 16 title "Goals for the XRP Ecosystem, drive utility
10:47:31 17 and liquidity for XRP" --

10:47:33 18 MS. ZORNBERG: Object to form. Asked and
10:47:33 19 answered. And the witness has said -- has answered
10:47:38 20 your question. You're asking about something he
10:47:40 21 didn't write.

10:47:40 22 MS. GUERRIER: He didn't answer.

10:47:41 23 MS. ZORNBERG: That [REDACTED] wrote.

10:47:44 24 BY MS. GUERRIER:

10:47:44 25 Q. Okay. So do you have any reason to

10:47:45 1 believe that the statement, "Goals for the XRP
10:47:49 2 Ecosystem, drive utility and liquidity for XRP," is
10:47:53 3 false?

10:47:54 4 MS. ZORNBERG: Objection.

10:47:58 5 If you can answer -- if you understand the
10:48:00 6 question you can answer.

10:48:00 7 THE WITNESS: I don't understand the
10:48:01 8 question. This is an email from [REDACTED]. I
10:48:05 9 can't speak to the veracity of this document.

10:48:08 10 BY MS. GUERRIER:

10:48:08 11 Q. Okay. So when you received this document,
10:48:11 12 did you ask whether it was true that the goals for
10:48:15 13 the XRP ecosystem include to drive the utility and
10:48:20 14 liquidity of XRP?

10:48:21 15 A. I don't recall.

10:48:22 16 Q. Were you interested at all in determining
10:48:25 17 whether the goals were to drive the utility and
10:48:28 18 liquidity for XRP?

10:48:31 19 MS. ZORNBERG: Objection and asked and
10:48:31 20 answered.

10:48:33 21 THE WITNESS: Yeah. I think so.

10:48:34 22 BY MS. GUERRIER:

10:48:35 23 Q. Okay. So did you make your interest known
10:48:37 24 to anyone at the time?

10:48:41 25 MS. ZORNBERG: Objection.

10:48:41 1 THE WITNESS: I don't recall.

10:48:50 2 BY MS. GUERRIER:

10:48:51 3 Q. Did Mr. Garlinghouse ever tell you that
10:48:52 4 this statement to drive the utility and liquidity
10:48:55 5 for XRP as part of the goal for the ecosystem was
10:49:03 6 accurate?

10:49:05 7 MS. ZORNBERG: Object to form.

10:49:10 8 THE WITNESS: Sorry, can you repeat your
10:49:11 9 question?

10:49:12 10 BY MS. GUERRIER:

10:49:13 11 Q. Did Mr. Garlinghouse ever tell you that
10:49:15 12 the goals for the XRP ecosystem, to drive utility
10:49:20 13 and liquidity for XRP, was an accurate statement?

10:49:23 14 A. I -- I don't remember.

10:49:24 15 Q. Did you ever have any discussions with
10:49:27 16 Mr. Garlinghouse regarding the statement that's in
10:49:30 17 this email, the goals for the XRP ecosystem to drive
10:49:34 18 utility and liquidity for XRP?

10:49:37 19 A. During what time period?

10:49:40 20 Q. We're still talking about the email --

10:49:42 21 A. Yeah.

10:49:43 22 Q. -- that you received in May.

10:49:46 23 A. I don't remember.

10:49:46 24 Q. Did you ever have any discussions with
10:49:48 25 Mr. Garlinghouse regarding what the goals for the

10:49:51 1 XRP ecosystem were?

10:49:54 2 A. Again, during this time period?

10:49:55 3 Q. The entirety of your time at Ripple.

10:49:59 4 MS. ZORNBERG: Object to form.

10:50:04 5 THE WITNESS: You're asking if I -- sorry,

10:50:06 6 can you repeat your question? I just want to make

10:50:08 7 sure I understand the timing in the question.

10:50:12 8 BY MS. GUERRIER:

10:50:12 9 Q. Well, I'm gonna break it out into two.

10:50:15 10 A. Okay.

10:50:16 11 Q. Did you ever have any discussions with
10:50:18 12 Mr. Garlinghouse regarding whether the goals for the
10:50:22 13 XRP ecosystem, including driving utility and
10:50:25 14 liquidity for XRP, is an accurate statement around
10:50:29 15 the time of this email, which is in May in 2018?

10:50:34 16 A. Yeah, I don't remember. Sorry.

10:50:37 17 Q. Did you ever have any discussions with
10:50:39 18 Mr. Garlinghouse at any time during your employment
10:50:41 19 at Ripple, Xpring, regarding whether the goals for
10:50:46 20 the XRP ecosystem included to drive the utility and
10:50:49 21 liquidity for XRP?

10:50:53 22 A. Yes.

10:50:54 23 Q. When did you have these discussions?

10:50:58 24 A. I don't remember the exact dates.

10:51:00 25 Q. What was the substance of the discussions

10:51:02 1 that you had with Mr. Garlinghouse regarding the
10:51:05 2 goals for the XRP ecosystem, including to drive
10:51:09 3 utility and liquidity for XRP?

10:51:12 4 MS. ZORNBERG: Object to form.

10:51:14 5 THE WITNESS: So I was managing the Xpring
10:51:18 6 team during my entire tenure at Ripple. And so
10:51:24 7 trying to establish the goals for the team was a
10:51:33 8 reasonable thing to discuss -- I don't want to say
10:51:38 9 often, but frequently.

10:51:41 10 BY MS. GUERRIER:

10:51:42 11 Q. And where did liquidity play in with the
10:51:45 12 discussions that you had with Mr. Garlinghouse with
10:51:47 13 respect to XRP?

10:51:50 14 MS. ZORNBERG: Object to form.

10:51:53 15 THE WITNESS: What do you mean by "fit
10:51:54 16 in"?

10:51:55 17 BY MS. GUERRIER:

10:51:56 18 Q. Well, we're still talking about the
10:51:58 19 statement that the goals for the XRP ecosystem is to
10:52:02 20 drive utility and liquidity for XRP.

10:52:06 21 And I'm following up on your statement
10:52:08 22 that you've had conversations with Mr. Garlinghouse
10:52:11 23 regarding these goals.

10:52:15 24 So what specifically about utility in the
10:52:20 25 XRP ecosystem did you discuss with Mr. Garlinghouse?

10:52:24 1 MS. ZORNBERG: Objection. Misstates prior
10:52:27 2 testimony. Lack of foundation. The way the
10:52:32 3 question's framed now, you've asked him -- you've
10:52:34 4 assumed that he had a specific discussion with
10:52:36 5 Mr. Garlinghouse about this sentence in the [REDACTED]
10:52:38 6 [REDACTED] email. There's not a foundation for that.

10:52:44 7 MS. GUERRIER: Okay.

10:52:44 8 MS. ZORNBERG: So --

10:52:45 9 MS. GUERRIER: I think --

10:52:47 10 BY MS. GUERRIER:

10:52:47 11 Q. Did you -- did you have discussions with
10:52:49 12 Mr. Garlinghouse regarding the goals for the XRP
10:52:54 13 ecosystem being to drive utility and liquidity for
10:52:58 14 XRP at any time during your employment at Xpring?

10:53:02 15 A. Yeah.

10:53:04 16 Q. Okay. And I believe you testified you
10:53:07 17 don't recall when specifically?

10:53:11 18 A. I recall that I did not remember
10:53:13 19 discussing these goals. I said I do not know the
10:53:16 20 exact dates.

10:53:18 21 Q. Okay. But you did have discussions about
10:53:22 22 part of the goals for the XRP ecosystem including
10:53:26 23 driving utility and liquidity for XRP. Is that
10:53:28 24 correct?

10:53:29 25 MS. ZORNBERG: Object to form.

10:53:31 1 THE WITNESS: We had discussions around
10:53:32 2 the goals for Xpring and we had -- we -- part of
10:53:39 3 those discussions were around utility and liquidity
10:53:42 4 for XRP.

10:53:42 5 BY MS. GUERRIER:

10:53:43 6 Q. Do you remember the substance of the
10:53:45 7 conversation that you've had with Mr. Garlinghouse
10:53:48 8 regarding utility and liquidity for XRP as it
10:53:53 9 relates to the XRP ecosystem?

10:53:58 10 MS. ZORNBERG: Object to form.

10:53:59 11 THE WITNESS: No. The substance?

10:54:04 12 BY MS. GUERRIER:

10:54:05 13 Q. What -- okay. Can you tell me what
10:54:07 14 conversation you had with Mr. Garlinghouse regarding
10:54:10 15 utility as it relates to -- and liquidity as it
10:54:14 16 relates to the XRP ecosystem?

10:54:17 17 MS. ZORNBERG: Object to form.

10:54:21 18 THE WITNESS: So I was building and
10:54:23 19 managing a team of people and so would discuss the
10:54:29 20 goals for our team, oftentimes with my team, my
10:54:37 21 peers, my manager, who was Brad. And so it's hard
10:54:42 22 for me to characterize the substance of that
10:54:46 23 conversation because this was how I was trying to do
10:54:48 24 my job. So there was -- it was a constant
10:54:51 25 discussion around, am I -- what should we be doing

10:54:53 1 and are we doing it well and how do we do it.

10:54:56 2 BY MS. GUERRIER:

10:54:57 3 Q. Okay. So was the need to create liquidity
10:54:59 4 for XRP discussed at all with Mr. Garlinghouse in
10:55:01 5 the context of your employment as it relates to the
10:55:07 6 ecosystem?

10:55:08 7 MS. ZORNBERG: Object to form.

10:55:10 8 THE WITNESS: We did not discuss the need
10:55:12 9 to create liquidity. No.

10:55:14 10 BY MS. GUERRIER:

10:55:15 11 Q. Okay. What specifically did you discuss
10:55:20 12 about liquidity with respect to the ecosystem?

10:55:23 13 MS. ZORNBERG: Object to form.

10:55:25 14 You can answer if you understand.

10:55:28 15 THE WITNESS: For me, liquidity was a
10:55:30 16 measure of how -- of utility for XRP.

10:55:38 17 BY MS. GUERRIER:

10:55:38 18 Q. Okay. That wasn't my question.

10:55:39 19 My question is, what did you discuss with
10:55:42 20 Mr. Garlinghouse with respect to liquidity as it
10:55:45 21 relates to the ecosystem?

10:55:47 22 A. I discuss --

10:55:48 23 MS. ZORNBERG: Object to form.

10:55:49 24 THE WITNESS: I discussed how liquidity
10:55:51 25 was a measure of utility.

10:55:54 1 BY MS. GUERRIER:

10:55:54 2 Q. Okay. Can you explain what you mean by
10:55:57 3 liquidity being a measure of utility?

10:56:04 4 A. Yes. So in order for a currency to be
10:56:09 5 useful to have liquidity, you must be able to
10:56:13 6 acquire that currency or -- unacquire, you must be
10:56:20 7 able be to buy it and you must be able -- you must
10:56:22 8 be able to get it. For something to be useful, you
10:56:24 9 must be able to get your hands on it to use it. And
10:56:27 10 so with no liquidity, it would be impossible to
10:56:31 11 drive utility.

10:56:34 12 Q. Okay. So how did you drive liquidity in
10:56:39 13 creating the ecosystem for XRP?

10:56:43 14 MS. ZORNBERG: Object to form. And
10:56:45 15 misstates -- lack of foundation. Misstates prior
10:56:48 16 testimony.

10:56:49 17 BY MS. GUERRIER:

10:56:50 18 Q. You can answer.

10:56:50 19 A. I did not state that I drove liquidity. I
10:56:53 20 don't -- I did not drive liquidity.

10:56:55 21 Q. Okay. What specifically did you work on
10:57:25 22 when you discussed the ecosystem when you were
10:57:30 23 actually employed at Xpring?

10:57:34 24 MS. ZORNBERG: Objection. Lack of
10:57:36 25 foundation.

10:57:42 1 THE WITNESS: The question is, what did I
10:57:44 2 work on when we discussed -- sorry, can you repeat
10:57:47 3 the question?

10:57:50 4 MS. GUERRIER: Do you mind -- can you
10:57:50 5 please read my question. Thank you.

10:57:52 6 (Record read by the reporter
10:57:52 7 as follows:

10:58:03 8 "QUESTION: Okay. What
10:58:03 9 specifically did you work on when
10:58:03 10 you discussed the ecosystem when
10:58:03 11 you were actually employed at
10:58:03 12 Xpring?")

10:58:05 13 MS. ZORNBERG: Objection. Lack of
10:58:07 14 foundation.

10:58:09 15 THE WITNESS: Can you be more specific on
10:58:11 16 which discussions you're referring to?

10:58:14 17 BY MS. GUERRIER:

10:58:16 18 Q. Okay. What did you work on when you were
10:58:18 19 working on the ecosystem for -- that you were
10:58:22 20 developing?

10:58:23 21 A. We --

10:58:24 22 MS. ZORNBERG: Object to form.

10:58:26 23 THE WITNESS: Broadly, over the
10:58:27 24 two-and-a-half years I was there?

25 / /

10:58:29 1 BY MS. GUERRIER:

10:58:29 2 Q. Sure. Yes.

10:58:30 3 A. Sure. So we partnered with companies, we
10:58:33 4 invested with companies, and we built technology.

10:58:57 5 Q. Do you recall what types of companies you
10:58:59 6 partnered with over your term with Xpring?

10:59:04 7 MS. ZORNBERG: Objection. Asked and
10:59:04 8 answered.

10:59:08 9 THE WITNESS: Generally, technology
10:59:09 10 companies, frequently start-ups.

10:59:12 11 BY MS. GUERRIER:

10:59:13 12 Q. What type? Can you specifically name the
10:59:15 13 companies that you worked with?

10:59:19 14 A. I think we did this before.

10:59:22 15 Q. Are these the same companies --

10:59:23 16 A. Yes.

10:59:23 17 Q. -- that you named earlier?

10:59:25 18 A. Yes. Yeah.

10:59:26 19 Q. Okay. So going back to my earlier
10:59:34 20 question regarding the ecosystem, was Xpring
10:59:37 21 expected to drive liquidity for XRP?

10:59:41 22 A. No.

10:59:42 23 MS. ZORNBERG: Object to form.

10:59:43 24 THE WITNESS: No.

25 / /

10:59:43 1 BY MS. GUERRIER:

10:59:47 2 Q. Was working with the companies that you
10:59:50 3 named earlier a means of creating liquidity for XRP?

10:59:58 4 A. No.

11:00:11 5 Q. What were these companies required to do
11:00:15 6 for Xpring?

11:00:17 7 MS. ZORNBERG: Objection. Lack of
11:00:18 8 foundation.

11:00:19 9 THE WITNESS: So we partnered with a lot
11:00:21 10 of different companies in lots of different forms.

11:00:25 11 BY MS. GUERRIER:

11:00:25 12 Q. Okay. So can you give some examples of
11:00:29 13 the types of companies and what they specifically
11:00:32 14 did with Xpring?

11:00:34 15 A. Sure. So we -- this is -- I don't -- I
11:00:38 16 don't remember all of them, so I apologize.

11:00:41 17 But there were companies that we invested
11:00:44 18 in just strictly as investment. There were
11:00:48 19 companies that we invested or partnered with that
11:00:52 20 used XRP in their product.

11:00:56 21 Q. So which company was strictly investing --
11:01:01 22 companies that you invested in?

11:01:04 23 A. Oh, I don't remember the details of all of
11:01:05 24 them.

11:01:06 25 Q. Do you know their names?

11:01:08 1 A. I named a few of them. I don't remember
11:01:10 2 all of them. I honestly don't.

11:01:13 3 Q. Can you just recall one that --

11:01:16 4 A. Yeah. Like we talked about Coil --

11:01:17 5 MS. ZORNBERG: Just let her -- make sure
11:01:19 6 you let her finish asking the question.

11:01:21 7 BY MS. GUERRIER:

11:01:22 8 Q. I'm just trying to understand the
11:01:23 9 companies that were solely for investment. So if
11:01:26 10 you could just -- if you -- whatever you can recall,
11:01:29 11 if you could please name them.

11:01:31 12 A. Sure. So the ones that I recalled were
11:01:34 13 solely for investment, I believe [REDACTED] was strictly
11:01:39 14 an investment. I believe [REDACTED] was strictly an
11:01:43 15 investment.

11:01:53 16 Those are the only ones I can remember off
11:01:55 17 the top of my head.

11:01:56 18 Q. And then you had another category of
11:01:59 19 companies that you said were -- used XRP?

11:02:03 20 MS. ZORNBERG: Object to form.

11:02:07 21 THE WITNESS: I don't think I categorized
11:02:10 22 them, per se, but you asked me to come up with some
11:02:15 23 general generalizations. But yes, there were
11:02:18 24 companies also that used XRP.

25 / /

11:02:19 1 BY MS. GUERRIER:

11:02:19 2 Q. What -- which one of those companies?

11:02:20 3 A. So, for example, Coil, [REDACTED].

11:02:30 4 I'm sure there are more.

11:02:31 5 Q. Okay. And how did they use XRP?

11:02:35 6 MS. ZORNBERG: Object to form.

11:02:36 7 You can answer.

11:02:37 8 THE WITNESS: All of them?

11:02:38 9 BY MS. GUERRIER:

11:02:38 10 Q. Well, how did Coil use XRP?

11:02:41 11 A. Sure. Coil is a technology that allows --
11:02:52 12 what's the best way to describe this. Allows an
11:02:56 13 individual to pay small amounts of money for
11:03:00 14 consuming a piece of content online. So you might
11:03:04 15 be able to pay a penny to read a news story, for
11:03:07 16 example, or two pennies to read a news story, and
11:03:11 17 Coil used XRP to make that payment because that sort
11:03:14 18 of payment is not possible with today's -- with
11:03:17 19 traditional payment providers.

11:03:23 20 Q. And [REDACTED], how did [REDACTED] use XRP?

11:03:27 21 A. [REDACTED] was using it in a similar manner
11:03:29 22 where [REDACTED] allowed you, as I said, to rent out
11:03:33 23 various assets, things that you owned, and they were
11:03:37 24 similarly using it to enable the payment between the
11:03:41 25 renter and the rentee.

11:03:43 1 Q. And how was [REDACTED] using XRP?

11:03:47 2 A. [REDACTED] is a little more complicated, but,
11:03:52 3 generally, I would say [REDACTED] is using it for a
11:03:54 4 similar approach, but they're building out a
11:03:56 5 platform for online video games and using XRP to
11:04:00 6 enable users to very easily buy and sell virtual
11:04:06 7 goods, digital goods, within a video game.

11:04:10 8 MS. GUERRIER: Okay. Let me hand you
11:04:12 9 what's been marked Exhibit 11.

11:04:14 10 (Whereupon, Deposition Exhibit EB-11
11:04:14 11 was marked for identification.)

11:04:20 12 MS. ZORNBERG: Thank you.

11:04:20 13 BY MS. GUERRIER:

11:04:58 14 Q. Exhibit 11 is an email dated June 21st,
11:05:02 15 2018, from you to yourself, from you. And I think
11:05:10 16 it's -- the subject is "Open DLT notes." And
11:05:15 17 underneath it it has "XRP thoughts."

11:05:19 18 Let me know when you have the chance to
11:05:21 19 take a look at it.

11:05:23 20 A. Okay.

11:12:38 21 All right.

11:12:38 22 Q. All right. So what is the document marked
11:12:44 23 Exhibit 11?

11:12:47 24 A. This appears to be an email from myself to
11:12:51 25 myself dated June 21st, 2018, with a very long list

11:13:01 1 of ideas and thoughts.

11:13:07 2 Q. And were these ideas and thoughts that you
11:13:09 3 had after you became employed with Ripple?

11:13:13 4 A. I wrote this email after. And I couldn't
11:13:19 5 say when I had the thoughts, but I would -- I think
11:13:20 6 it's fair to generalize most of this was me trying
11:13:24 7 to get my head wrapped around a new job.

11:13:27 8 Q. Okay. But you were actually working at
11:13:29 9 Ripple at the time that you wrote --

11:13:30 10 A. At the time I sent this email, yeah.
11:13:31 11 Yeah.

11:13:32 12 Q. Okay. And what, in general, were you
11:13:36 13 trying to accomplish with this email?

11:13:41 14 MS. ZORNBERG: Object to form.

11:13:42 15 You can answer.

11:13:46 16 THE WITNESS: Well, I sent the email to
11:13:48 17 myself just, I guess, to have it in my inbox.

11:13:52 18 BY MS. GUERRIER:

11:13:53 19 Q. Okay. So were you writing your thoughts
11:13:58 20 about your new job, basically?

11:14:01 21 MS. ZORNBERG: Object to form.

11:14:03 22 THE WITNESS: Yeah. I think that's fair.

11:14:05 23 BY MS. GUERRIER:

11:14:05 24 Q. Okay. And were these including some of
11:14:09 25 the objectives using XRP?

11:14:14 1 MS. ZORNBERG: Object to form.

11:14:15 2 THE WITNESS: Sorry, which objectives are
11:14:17 3 you talking about?

11:14:18 4 BY MS. GUERRIER:

11:14:18 5 Q. Well, in general, were you writing about
11:14:21 6 some of your objectives with respect to XRP?

11:14:28 7 A. I think this document has objectives about
11:14:32 8 lots of things, including XRP.

11:14:34 9 Q. Okay. But it does have objectives about
11:14:37 10 XRP that you wrote to yourself?

11:14:42 11 A. Let me go read it again. I don't want to
11:14:44 12 get too specific there.

11:14:58 13 Q. I mean, I'm not asking for specific
11:14:59 14 objectives. I'm asking in general, did you write
11:15:02 15 your objectives about XRP in this email to yourself?

11:15:07 16 MS. ZORNBERG: Object to form. And feel
11:15:10 17 free to direct him to something in the document.

11:15:14 18 THE WITNESS: So it looks like I have
11:15:16 19 mentioned objectives a few times in this document.
11:15:20 20 Once on the first line. I, again -- I'm happy to
11:15:25 21 scan it and look for those words.

11:15:26 22 BY MS. GUERRIER:

11:15:27 23 Q. I don't think I'm asking you to scan for
11:15:29 24 words. But if you -- just based on your
11:15:31 25 recollection, is this document to write what your

11:15:36 1 thoughts were for XRP?

11:15:39 2 A. I would say this is my thoughts around,
11:15:42 3 yeah, what my job was supposed to do, supposed to
11:15:44 4 be.

11:15:45 5 Q. Okay. Now, if you turn to the page that
11:15:49 6 has the Bates number 058048 at the bottom -- 80409.
11:15:58 7 Sorry, I'll repeat that. 0580409.

11:16:03 8 A. Yes.

11:16:07 9 Q. Near the middle, there's a statement that
11:16:09 10 you write. You want to read that into the record.
11:16:13 11 It's under number 13.

11:16:16 12 A. Certainly.

11:16:16 13 "How ironic that all the ICOs
11:16:19 14 happen on ETH and ETH received
11:16:21 15 specific notice from the SEC that
11:16:22 16 it isn't a security."

11:16:30 17 Q. Is there a reason why you thought it was
11:16:31 18 ironic that ETH received the notice from the SEC
11:16:37 19 about it not being a security?

11:16:42 20 MS. ZORNBERG: Object to form.

11:16:46 21 THE WITNESS: Sorry, can you repeat the
11:16:47 22 question?

11:16:49 23 BY MS. GUERRIER:

11:16:50 24 Q. Is there a reason that you thought it was
11:16:52 25 ironic that ETH received a specific notice from the

11:16:58 1 SEC about it not being a security?

11:17:00 2 MS. ZORNBERG: Objection.

11:17:05 3 THE WITNESS: Yes.

11:17:05 4 BY MS. GUERRIER:

11:17:06 5 Q. And why did you think that was ironic?

11:17:18 6 A. Not being a lawyer or security lawyer, I
11:17:20 7 think at this time, 2000 -- mid 2018, there were
11:17:25 8 many, many ICOs coming out, initial coin offerings.
11:17:34 9 From my reading of the news -- again, not being a
11:17:37 10 lawyer, it seemed like these were questionable from
11:17:40 11 a regulatory perspective. And they were all
11:17:43 12 happening on the Ethereum blockchain which the SEC,
11:17:48 13 my understanding, had said everything on Ethereum is
11:17:53 14 kosher and fine but there was all this, like, what
11:17:57 15 appeared to be fairly regulatory questionable
11:18:00 16 activity taking place in the ecosystem that the SEC
11:18:02 17 said was okay.

11:18:04 18 Q. Okay. Did you ever discuss with anyone at
11:18:08 19 Ripple whether XRP might be a security?

11:18:11 20 A. No.

11:18:13 21 Q. Did you ever meet with anyone at the SEC
11:18:17 22 regarding XRP?

11:18:18 23 A. No.

11:18:23 24 Q. Since you left Ripple, have you had any
11:18:28 25 discussions With Mr. Garlinghouse about XRP being a

11:18:34 1 security?

11:18:35 2 A. No.

11:18:37 3 Q. Have you had any discussions with
11:18:40 4 Mr. Larsen, since you've left Ripple, regarding
11:18:43 5 whether XRP is a security?

11:18:47 6 A. No.

11:18:48 7 Q. Have you communicated with anyone else at
11:18:50 8 Ripple from -- regarding whether or not XRP is a
11:18:56 9 security? And I mean at any time.

11:19:02 10 A. I've spoken with counsel regarding this
11:19:04 11 deposition.

11:19:05 12 Q. Other than counsel.

11:19:06 13 A. No.

11:19:09 14 Q. Have you ever spoken with Mr. Garlinghouse
11:19:11 15 regarding this litigation?

11:19:12 16 A. The no.

11:19:13 17 Q. Have you ever spoken with anyone at Ripple
11:19:17 18 regarding this litigation?

11:19:19 19 A. Just counsel.

11:19:21 20 Q. Okay. Going back to your email, if you
11:19:25 21 could stay on the same page and read right under the
11:19:29 22 topic about security, beginning with "today XRP."

11:19:35 23 A. Sure.

11:19:36 24 "Today XRP is one of the
11:19:38 25 top -- top market cap digital

11:19:40 1 assets."

11:19:43 2 Q. Can you read the next line, please?

11:19:45 3 A. Sure.

11:19:45 4 "Outside of speculators, no
11:19:47 5 one is doing anything with XRP or
11:19:49 6 XRP Ledger."

11:19:50 7 Q. And the following line?

11:19:51 8 A. "Even Ripple, doing very little with XRP
11:19:55 9 or XRP Ledger."

11:19:58 10 Q. Okay. So this is an email you sent to
11:20:00 11 yourself on June 21st, 2018?

11:20:06 12 A. Yes.

11:20:06 13 Q. Okay. So at the time you made these three
11:20:12 14 statements that you just read into -- market,
11:20:15 15 including that outside of speculators, no one is
11:20:18 16 doing anything with XRP or XRP Ledger, was the
11:20:24 17 statement an accurate statement?

11:20:26 18 MS. ZORNBERG: Object to form.

11:20:28 19 THE WITNESS: I don't know.

11:20:29 20 BY MS. GUERRIER:

11:20:30 21 Q. Well, did you believe the statement to be
11:20:31 22 true when you wrote it?

11:20:32 23 A. I don't know.

11:20:33 24 Q. So why did you write this into your email?

11:20:37 25 A. So this email is a lot of thoughts about

11:20:42 1 me trying to figure out how to do my job. So
11:20:47 2 there's a lot of information in this that I was just
11:20:53 3 dumping stuff on a page to try to figure out what my
11:20:56 4 job was and how to go do it.

11:20:58 5 Q. So at the time that you wrote this email,
11:21:00 6 no one, to your knowledge, was doing anything with
11:21:03 7 XRP --

11:21:06 8 MS. ZORNBERG: Objection.

11:21:07 9 BY MS. GUERRIER:

11:21:07 10 Q. -- is that correct?

11:21:08 11 MS. ZORNBERG: Objection.

11:21:08 12 THE WITNESS: I wouldn't say that.

11:21:10 13 BY MS. GUERRIER:

11:21:10 14 Q. So what did you mean by "outside of
11:21:14 15 speculators, no one is doing anything with XRP"?

11:21:23 16 A. I'm not 100 percent sure. I'd say at this
11:21:32 17 period of time, all -- most of what was going on in
11:21:35 18 cryptocurrency was ICOs. And that was -- every day
11:21:40 19 in the press was everybody was doing an ICO. And so
11:21:45 20 that was where all the attention and excitement was.

11:21:51 21 And Ripple, being a very conservative
11:21:54 22 company, had always tried to stay very far away from
11:21:57 23 them. And so if you were to look at what's going on
11:22:00 24 in the crypto world, like, it was all ICOs all the
11:22:05 25 time, and no one of that was happening on XRP

11:22:07 1 Ledger.

11:22:08 2 Q. Okay. But other than that, there was no
11:22:11 3 one using XRP at the time you wrote this email --

11:22:14 4 MS. ZORNBERG: Object. Is that a
11:22:15 5 question?

11:22:17 6 BY MS. GUERRIER:

11:22:17 7 Q. Can you answer the question?

11:22:19 8 A. What was the question?

11:22:19 9 MS. ZORNBERG: No. Objection.

11:22:20 10 BY MS. GUERRIER:

11:22:20 11 Q. You wrote -- is that -- that no one is
11:22:23 12 doing anything with XRP.

11:22:26 13 At the time you wrote this email in June
11:22:28 14 of 2018, was that true?

11:22:31 15 MS. ZORNBERG: Objection. Misaccurate
11:22:33 16 [sic] reading of the statement.

11:22:35 17 THE WITNESS: As I stated before, I don't
11:22:36 18 know.

11:22:36 19 BY MS. GUERRIER:

11:22:37 20 Q. So why would you -- how would not knowing
11:22:41 21 whether or not anyone is doing anything with XRP
11:22:43 22 help you, as an SVP of Xpring, do your job?

11:22:49 23 MS. ZORNBERG: Objection.

11:22:53 24 THE WITNESS: Sorry, can you repeat the
11:22:54 25 question?

11:22:56 1 MS. GUERRIER: If you could please read
11:22:57 2 the question.

11:22:58 3 (Record read by the reporter
11:22:58 4 as follows:

11:23:09 5 QUESTION: "So why would
11:23:09 6 you -- how would not knowing
11:23:09 7 whether or not anyone is doing
11:23:09 8 anything with XRP help you, as an
11:23:09 9 SVP of Xpring, do your job?")

11:23:10 10 MS. ZORNBERG: Objection. It's an
11:23:12 11 incomprehensible question.

11:23:14 12 THE WITNESS: I'm not sure I understand
11:23:15 13 that question.

11:23:16 14 MS. GUERRIER: I don't know that that's an
11:23:18 15 appropriate objection, but you can object to form
11:23:20 16 and then I'll try to clarify the question.

11:23:23 17 MS. ZORNBERG: Object to form.

11:23:24 18 MS. GUERRIER: No need for insults.

11:23:25 19 BY MS. GUERRIER:

11:23:25 20 Q. Sir, the next line you write:

11:23:27 21 "Even Ripple doing very little
11:23:29 22 with XRP."

11:23:30 23 What did you mean by that?

11:23:32 24 A. I don't know specifically.

11:23:38 25 Q. So as you wrote this email in June of

11:23:40 1 2018, you didn't know whether or not Ripple was
11:23:45 2 doing very little with XRP. Is that what you're
11:23:50 3 testifying today?

11:23:51 4 MS. ZORNBERG: Object to form.

11:23:55 5 THE WITNESS: I think that's accurate,
11:23:57 6 yes.

11:23:57 7 BY MS. GUERRIER:

11:23:57 8 Q. What is accurate?

11:23:58 9 A. That I didn't know what Ripple was doing
11:24:01 10 with XRP Ledger at this time.

11:24:05 11 Q. But that's not what you wrote here,
11:24:07 12 correct? I mean --

11:24:08 13 A. Correct.

11:24:08 14 Q. You wrote:

11:24:08 15 "Even Ripple doing very little
11:24:11 16 with XRP."

11:24:12 17 Is that an affirmative statement?

11:24:15 18 MS. ZORNBERG: Object to form.

11:24:15 19 THE WITNESS: I did write that, yes.

11:24:16 20 BY MS. GUERRIER:

11:24:17 21 Q. Yes. Did you believe that to be the case?

11:24:19 22 A. I don't know.

11:24:20 23 Q. And why don't you know?

11:24:25 24 A. There's a lot of thoughts in here. This
11:24:27 25 is, a dozen -- eight, ten pages of bullet points,

11:24:33 1 maybe a few hundred bullet points. And I'm not sure
11:24:40 2 I know if I believe all or some. This was me, two
11:24:47 3 weeks into a job, trying to get my head wrapped
11:24:50 4 around with what's going on in a very complicated
11:24:54 5 industry.

11:24:57 6 And I think generally Ripple, we're
11:25:03 7 focused -- focused on payments, and the world of
11:25:05 8 payments is very, very big. And even today, I think
11:25:09 9 Ripple, while doing great, is still a small piece of
11:25:12 10 what's going on in the world of payments.

11:25:14 11 MS. GUERRIER: I'm handing you Exhibit 18.

11:25:16 12 (Whereupon, Deposition Exhibit EB-18
11:25:17 13 was marked for identification.)

11:25:17 14 BY MS. GUERRIER:

11:25:21 15 Q. If you could please take a look at it.
11:25:23 16 Let me know when you are done.

11:27:03 17 A. Okay.

11:27:04 18 Q. All right. So what is Exhibit 18?

11:27:08 19 A. Exhibit 18 is an email from me to [REDACTED]
11:27:11 20 [REDACTED] from August 1st, 2018.

11:27:15 21 Q. Okay. So who is [REDACTED]?

11:27:17 22 A. [REDACTED] is the CEO of Coil.

11:27:22 23 Q. Is Coil one of the companies that you
11:27:24 24 described earlier as using XRP?

11:27:27 25 A. Yes. Coil uses XRP.

11:27:30 1 Q. Okay. So if you could please tell me what
11:27:42 2 you are responding to with respect to this email.

11:27:47 3 MS. ZORNBERG: Object to form. Document
11:27:49 4 speaks for itself.

11:27:53 5 THE WITNESS: So it looks like I am
11:27:55 6 responding to a question from [REDACTED], who says:

11:27:59 7 "Are there any candidates for
11:28:02 8 ILP-enabled XRP wallets that you're
11:28:05 9 pursuing?"

11:28:07 10 BY MS. GUERRIER:

11:28:07 11 Q. So if you could read the second paragraph
11:28:08 12 of your answer into the record, please.

11:28:12 13 A. Sure.

11:28:13 14 "Agree this is important and
11:28:15 15 that someone will solve it. One
11:28:17 16 challenge is that at the moment,
11:28:18 17 there's no place for consumers to
11:28:20 18 spend XRP, so we have a chicken/egg
11:28:23 19 problem we need to solve."

11:28:25 20 Q. Okay. So why are you telling the CEO of
11:28:28 21 Coil that there's no place for consumers to spend
11:28:31 22 XRP, in this email dated August 1st, 2018?

11:28:36 23 MS. ZORNBERG: Object to form.

11:28:37 24 You can answer.

11:28:44 25 THE WITNESS: So if I understand this

11:28:45 1 email correctly, this is about what looks to be
11:28:52 2 blockchain wallet, and their integration of ILP and
11:29:04 3 whether that was important or not. And blockchain
11:29:07 4 wallet is a consumer-facing product.

11:29:13 5 And so the question was, how important it
11:29:19 6 was to have a consumer-facing product that supported
11:29:23 7 ILP and XRP.

11:29:25 8 BY MS. GUERRIER:

11:29:25 9 Q. So at the time you wrote this email, is it
11:29:27 10 accurate that there was no place for consumers to
11:29:29 11 spend XRP?

11:29:31 12 A. I don't know.

11:29:32 13 Q. So why did you include that in your answer
11:29:36 14 to [REDACTED]

11:29:40 15 MS. ZORNBERG: Object to form.

11:29:46 16 THE WITNESS: I included that to try to
11:29:47 17 frame up this opportunity or this idea around
11:29:52 18 introducing ILP and XRP into the blockchain wallet.

11:29:57 19 BY MS. GUERRIER:

11:29:58 20 Q. So are you -- what -- is your testimony
11:30:00 21 that there is no place to spend XRP accurate?

11:30:06 22 MS. ZORNBERG: Objection.

11:30:09 23 THE WITNESS: Are you asking if my
11:30:10 24 testimony is accurate?

25 / /

11:30:12 1 BY MS. GUERRIER:

11:30:12 2 Q. I'm sorry, is your email, that there's no
11:30:14 3 place for consumers to spend XRP. Is that an
11:30:16 4 accurate statement?

11:30:18 5 MS. ZORNBERG: Objection. Asked and
11:30:18 6 answered.

11:30:19 7 THE WITNESS: As of this date?

11:30:20 8 BY MS. GUERRIER:

11:30:21 9 Q. Yes.

11:30:21 10 A. I don't know. The XRP Ledger is open for
11:30:23 11 anyone to use.

11:30:24 12 Q. That's not my question. I'd like to
11:30:26 13 understand what you meant here by saying that
11:30:29 14 there's no place for consumers to spend XRP, on
11:30:32 15 August 1st, 2018.

11:30:35 16 A. I am trying to provide a framework for how
11:30:39 17 to evaluate this opportunity to integrate ILP and
11:30:44 18 XRP into the blockchain wallet, which is a
11:30:48 19 consumer-facing product.

11:30:50 20 Q. Right. So at the time there was no place
11:30:53 21 to spend XRP for consumers. Is that a correct
11:30:55 22 characterization?

11:30:56 23 MS. ZORNBERG: Objection. Asked and
11:30:57 24 answered.

11:30:57 25 THE WITNESS: I don't know.

11:30:57 1 BY MS. GUERRIER:

11:30:58 2 Q. So as -- you're the senior vice president
11:31:00 3 of Xpring, and -- is it your testimony you don't
11:31:03 4 know whether, at the time you sent your email on
11:31:07 5 August 1st, 2018, that there was no place to
11:31:12 6 spend -- for consumers to spend XRP?

11:31:15 7 MS. ZORNBERG: Objection to form.

11:31:16 8 BY MS. GUERRIER:

11:31:16 9 Q. Is that your testimony?

11:31:17 10 MS. ZORNBERG: Object to form.

11:31:19 11 THE WITNESS: I do not know the answer to
11:31:20 12 that. I do not know if there was a place for
11:31:23 13 consumers to spend XRP as of this date.

11:31:27 14 BY MS. GUERRIER:

11:31:27 15 Q. Okay. So what did you mean by the chicken
11:31:30 16 and egg problem that you needed to solve?

11:31:35 17 MS. ZORNBERG: Object to form.

11:31:36 18 You can answer.

11:31:37 19 THE WITNESS: So blockchain wallet being a
11:31:44 20 very large wallet, to bring a lot of consumers on
11:31:47 21 board, if there are limited places for them to use
11:31:51 22 that wallet, then you've only got one side of the
11:31:58 23 kind of wallet payment interaction, that being the
11:32:05 24 chicken and egg problem.

25 / /

11:32:09 1 BY MS. GUERRIER:

11:32:14 2 Q. When you sent this statement, did you
11:32:16 3 believe -- and by "statement," I mean that there was
11:32:19 4 no place for consumers to spend XRP. Did you
11:32:23 5 believe it to be true at the time that you sent it
11:32:25 6 in August of 2018?

11:32:29 7 A. I don't think so.

11:32:32 8 Q. So you didn't believe that there was no
11:32:34 9 place for consumers to -- I'm just trying to
11:32:37 10 understand -- to spend the XRP?

11:32:39 11 MS. ZORNBERG: Object to form.

11:32:42 12 THE WITNESS: Yeah. I don't believe that
11:32:44 13 I actually believed that to be 100 percent true.

11:32:50 14 BY MS. GUERRIER:

11:32:51 15 Q. So did you clarify the statement with
11:32:53 16 Mr. [REDACTED] at a later time?

11:32:56 17 A. I doubt it.

11:32:57 18 Q. Okay. Why not?

11:33:01 19 A. It was not relevant to this conversation.

11:33:03 20 Q. Okay. But you put it in the email for
11:33:05 21 what purpose?

11:33:07 22 MS. ZORNBERG: Object to form.

11:33:08 23 THE WITNESS: So I was trying to help
11:33:11 24 provide a framework to evaluate how -- evaluate this
11:33:17 25 opportunity of adding ILP and XRP into the

11:33:21 1 blockchain wallet. And so I was trying to provide
11:33:24 2 some context.

11:33:27 3 BY MS. GUERRIER:

11:33:28 4 Q. By -- so by providing context, do you mean
11:33:30 5 to include a statement that you did not believe was
11:33:33 6 true?

11:33:34 7 MS. ZORNBERG: Objection.

11:33:35 8 THE WITNESS: For me, this statement is
11:33:36 9 just shorthand.

11:33:37 10 BY MS. GUERRIER:

11:33:38 11 Q. So it could be true or false as far as
11:33:40 12 you're concerned?

11:33:40 13 MS. ZORNBERG: Objection.

11:33:47 14 THE WITNESS: Could be true or false as
11:33:49 15 far as you're concerned?

11:33:52 16 MS. ZORNBERG: Yeah. Object to the form
11:33:53 17 of the question.

11:33:55 18 BY MS. GUERRIER:

11:33:56 19 Q. So --

11:33:57 20 A. Are you asking me if the statement could
11:33:59 21 be true or false?

11:34:01 22 Q. Well, are you -- is it your normal to put
11:34:07 23 a false statement into an email regarding a question
11:34:11 24 about, you know, whether consumers spend XRP or not?

11:34:17 25 MS. ZORNBERG: Objection. And misstates

11:34:21 1 prior testimony.

11:34:24 2 THE WITNESS: I would say it's normal to
11:34:29 3 make generalizations and shorthand in email.

11:34:37 4 BY MS. GUERRIER:

11:34:38 5 Q. So the statement that there's no place for
11:34:40 6 consumers to spend XRP, are you characterizing this
11:34:45 7 as a generalization?

11:34:48 8 A. I think so, yes.

11:34:49 9 Q. Okay. So -- but -- is your testimony that
11:34:52 10 you don't know if that's true or false?

11:34:54 11 A. Correct.

11:34:54 12 Q. As of August 1st, 2018?

11:34:57 13 A. Correct.

11:35:15 14 MS. GUERRIER: I'm handing you a document
11:35:16 15 premarked as Exhibit 20.

11:35:18 16 (Whereupon, Deposition Exhibit EB-20
11:35:18 17 was marked for identification.)

11:35:22 18 THE WITNESS: Okay.

11:38:14 19 BY MS. GUERRIER:

11:38:14 20 Q. All right. So Exhibit 20 is an email from
11:38:20 21 you to [REDACTED] on August 7, 2018 and CC'ing other
11:38:28 22 people with the subject, Intro.

11:38:32 23 And who is --

11:38:33 24 MS. ZORNBERG: Hold on. Hold on. That's
11:38:35 25 inaccurate -- just to correct the record, Exhibit 20

11:38:37 1 is an email string with multiple emails, and the
11:38:41 2 subject was not written by Mr. Beard.

11:38:44 3 MS. GUERRIER: Okay. I never said that.
11:38:45 4 And also, ma'am, if you would just either object to
11:38:48 5 form, because you will have your opportunity to --
11:38:51 6 whatever it is you need to clear up, clear up, but I
11:38:55 7 would appreciate if you just object to the form of
11:38:57 8 the question.

11:38:58 9 MS. ZORNBERG: If something is being
11:38:59 10 misstated I'll correct it in the moment.

11:39:01 11 MS. GUERRIER: It is -- because I did not
11:39:02 12 say that he wrote the intro. That's your testimony.

11:39:06 13 BY MS. GUERRIER:

11:39:07 14 Q. Sir, what is this email that you are
11:39:09 15 writing to [REDACTED] about?

11:39:13 16 A. So this email thread. You want me to talk
11:39:15 17 about the first one?

11:39:16 18 Q. Yeah. What is -- what is your email on
11:39:18 19 August 7th, 2018, to [REDACTED]

11:39:22 20 A. So this is --

11:39:23 21 MS. ZORNBERG: Object to form.

11:39:24 22 THE WITNESS: This is in response to an
11:39:26 23 email from [REDACTED] talking about a variety of
11:39:32 24 different businesses and ideas and opportunities
11:39:35 25 that he's been exploring.

11:39:37 1 BY MS. GUERRIER:

11:39:39 2 Q. Who is [REDACTED]?

11:39:44 3 A. [REDACTED] I believe was an early Ripple
11:39:47 4 employee and is now an investor.

11:39:49 5 Q. Do you recall what his title was at
11:39:51 6 Ripple?

11:39:52 7 A. He was -- we did not overlap.

11:39:56 8 Q. And he's an early investor -- I'm sorry,
11:40:00 9 what did you say about -- can you clarify?

11:40:01 10 A. He was an early employee at Ripple and is
11:40:04 11 now an investor.

11:40:05 12 Q. At Ripple?

11:40:05 13 A. I don't know.

11:40:05 14 Q. Okay.

11:40:05 15 A. No. Not at Ripple.

11:40:08 16 Q. At Ripple.

11:40:08 17 A. No. He does not work at Ripple.

11:40:11 18 Q. Okay. And he's an investor where?

11:40:12 19 A. I don't know.

11:40:13 20 Q. So what do you mean by saying that he's
11:40:15 21 now an investor?

11:40:20 22 A. He invests in companies.

11:40:21 23 Q. How do you know that?

11:40:23 24 A. 'Cause he's told me he invests in
11:40:26 25 companies.

11:40:27 1 Q. Okay. So what kind of advice is [REDACTED]
11:40:31 2 asking you for in this email that he sent to you on
11:40:34 3 August 4, 2018?

11:40:36 4 MS. ZORNBERG: Object to form.

11:40:37 5 THE WITNESS: I don't think he's asking
11:40:38 6 for advice here. I don't think I said that. He is
11:40:45 7 looking at a variety of opportunities or ideas where
11:40:52 8 there might be intersection between Ripple and other
11:40:56 9 companies.

11:40:58 10 BY MS. GUERRIER:

11:40:59 11 Q. Do you know the types of ideas and
11:41:01 12 opportunities that he's looking at with respect to
11:41:04 13 Ripple and other companies?

11:41:07 14 MS. ZORNBERG: Object to form.

11:41:13 15 THE WITNESS: So it looks like he's been
11:41:15 16 discussing the idea of an XRP reverse auction model
11:41:18 17 for placing order books as an alternative to the
11:41:21 18 complexity of Interledger. It looks like [REDACTED]
11:41:26 19 could be a prime example of where they would be
11:41:30 20 willing to pay out in a number of countries in local
11:41:35 21 currency exchange.

11:41:36 22 Looks like they're looking to close a lead
11:41:39 23 funding round with [REDACTED]. Looks like he's
11:41:43 24 been talking with [REDACTED], the CEO of [REDACTED], who is
11:41:48 25 open to having [REDACTED] run point on removing the

11:41:51 1 blockers to an xRapid integration. Looks like he's
11:41:54 2 an investor in both [REDACTED] and Bitso.

11:42:04 3 BY MS. GUERRIER:

11:42:04 4 Q. Okay. So --

11:42:05 5 A. That's, I think, some of the things he's
11:42:08 6 looking to talk about.

11:42:09 7 Q. -- do you know why he wanted to speak with
11:42:11 8 you when he sent this email on August 4, 2018?

11:42:16 9 MS. ZORNBERG: Object to form.

11:42:20 10 THE WITNESS: I think he was looking to
11:42:21 11 bounce these ideas off someone inside of Ripple.

11:42:25 12 BY MS. GUERRIER:

11:42:25 13 Q. Okay. And can you read your response to
11:42:30 14 Mr. [REDACTED]

11:42:33 15 A. Sure.

11:42:34 16 Q. The first and second paragraph, for the
11:42:35 17 record.

11:42:36 18 A. Sure.

11:42:37 19 "I've popped the xRapid
11:42:39 20 opportunity over to the sales team
11:42:41 21 to see where best to land it.
11:42:43 22 We've had some discussions in the
11:42:44 23 past with airdropping XRP into
11:42:46 24 wallets and have run into a few
11:42:48 25 challenges. I think the major

11:42:49 1 blocker has been that there aren't
11:42:51 2 a lot of opportunities for anyone
11:42:52 3 to spend XRP anywhere since we're
11:42:55 4 not focused on the consumer space.

11:42:57 5 "To this extent, we always
11:42:58 6 come round to the sense that the
11:43:00 7 only thing a consumer can do with
11:43:01 8 XRP is hold it or sell it for fiat,
11:43:03 9 neither of which drive much utility
11:43:07 10 (and frankly Ripple can both hold
11:43:08 11 and sell pretty easily).

11:43:10 12 "The other challenge is that
11:43:11 13 in order to create an XRP wallet on
11:43:11 14 the ledger you have to fund it with
11:43:13 15 20 XRP which gets locked in the
11:43:16 16 account, so there's a pretty high
11:43:18 17 cost just to creating wallets for
11:43:21 18 consumers. Happy to talk more if
11:43:23 19 you think we can overcome those
11:43:25 20 challenges."

11:43:28 21 Q. So going to your statement that "there
11:43:30 22 aren't a lot of opportunities for anyone to spend
11:43:34 23 XRP anywhere," was this an accurate statement at the
11:43:37 24 time you wrote the email in 2018?

11:43:41 25 MS. ZORNBERG: Object to form.

11:43:47 1 THE WITNESS: I would say this is my
11:43:49 2 opinion.

11:43:51 3 BY MS. GUERRIER:

11:43:52 4 Q. Okay. And then you go on and say that
11:43:53 5 "we're not focused on the consumer space." So are
11:43:56 6 you talking about Ripple?

11:43:59 7 MS. ZORNBERG: Object to form.

11:44:02 8 THE WITNESS: I would say the "we" here is
11:44:10 9 arguably somewhere between Ripple and Xpring, and I
11:44:13 10 know Xpring is part of Ripple, but --

11:44:16 11 BY MS. GUERRIER:

11:44:16 12 Q. So at the time of this email in August of
11:44:18 13 2018, Ripple was not focused on the consumer space.
11:44:23 14 Is that what you're stating in this email?

11:44:27 15 MS. ZORNBERG: Object to form.

11:44:31 16 THE WITNESS: I am stating that in this
11:44:32 17 email.

11:44:33 18 BY MS. GUERRIER:

11:44:36 19 Q. Okay. So you next say "that the only
11:44:38 20 thing a consumer can do with XRP is either hold it
11:44:42 21 or sell it for fiat." Did you believe that
11:44:45 22 statement to be true when you wrote it?

11:44:56 23 A. I don't know.

11:44:58 24 Again, I think this is a generalization,
11:44:59 25 similar to the last email.

11:45:01 1 Q. Okay. But continuing on, you say "neither
11:45:04 2 of which really drive much utility." So did you --
11:45:07 3 at the time, in August of 2018, there wasn't much
11:45:12 4 utility for XRP. Is that your statement here?

11:45:17 5 MS. ZORNBERG: Object to form.

11:45:18 6 THE WITNESS: I don't think that's what
11:45:19 7 this statement says.

11:45:20 8 BY MS. GUERRIER:

11:45:21 9 Q. What does it state?

11:45:22 10 A. I think that the only thing a consumer can
11:45:24 11 do with XRP is hold it or sell it for fiat, neither
11:45:28 12 of which really drive much utility.

11:45:30 13 Q. So what do you mean by "neither of which
11:45:32 14 really drive much utility" in this context?

11:45:42 15 A. So the context around this is that
11:45:46 16 Mr. [REDACTED] is looking at an opportunity to give out
11:45:49 17 XRP to individual consumers as rewards. And my
11:45:59 18 response is that if you just give it to users,
11:46:02 19 mostly they're going to just hold it or sell it for
11:46:05 20 fiat.

11:46:05 21 Q. 'cause they can't use it. Is that your
11:46:08 22 statement?

11:46:08 23 MS. ZORNBERG: Object to form.

11:46:12 24 THE WITNESS: I'm saying that, again, the
11:46:14 25 generalization is that there's -- again, as I said

11:46:20 1 before, this is a broad generalization, but me
11:46:22 2 saying that the only thing that that user can then
11:46:24 3 do is hold it or sell it for fiat, which in my
11:46:28 4 opinion didn't really drive much utility.

11:46:33 5 BY MS. GUERRIER:

11:46:33 6 Q. Okay. You talked about Coil, correct. So
11:47:51 7 just for clarification, what is Coil?

11:47:56 8 A. Coil is a company.

11:47:59 9 Q. What kind of company?

11:48:00 10 A. A technology company.

11:48:05 11 Q. And did Xpring have any involvement with
11:48:08 12 Coil?

11:48:09 13 MS. ZORNBERG: Objection. Asked and
11:48:09 14 answered.

11:48:10 15 THE WITNESS: Yes.

11:48:10 16 BY MS. GUERRIER:

11:48:11 17 Q. And how were they involved with Coil?

11:48:15 18 A. We partnered with Coil and we provided
11:48:19 19 funding with Coil.

11:48:21 20 Q. In what ways did you partner with Coil?

11:48:24 21 MS. ZORNBERG: Object to form.

11:48:26 22 THE WITNESS: We work with them on
11:48:28 23 building technology.

11:48:30 24 BY MS. GUERRIER:

11:48:30 25 Q. Okay. What specific technology?

11:48:34 1 A. Primarily Interledger Protocol.

11:48:38 2 Q. Now, did Ripple fund Coil?

11:48:44 3 A. Yes.

11:48:47 4 Q. And how much funding did Ripple provide to
11:48:51 5 Coil at -- all together, if you know?

11:48:57 6 A. I don't know, all together.

11:48:58 7 Q. Was the funding from Ripple a significant
11:49:01 8 portion of Coil's funding, to your knowledge?

11:49:05 9 A. I don't know.

11:49:08 10 Q. Do you know how much Ripple provided to
11:49:11 11 Coil?

11:49:11 12 MS. ZORNBERG: Objection. Asked and
11:49:12 13 answered.

11:49:12 14 THE WITNESS: Not specifically.

11:49:13 15 BY MS. GUERRIER:

11:49:14 16 Q. Did it fund Coil in XRP?

11:49:21 17 A. I believe so.

11:49:24 18 Q. And do you know what Coil did with the XRP
11:49:27 19 that it received from Ripple?

11:49:31 20 A. I do not.

11:49:34 21 Q. Do you know if Coil sold the XRP that it
11:49:36 22 received from Ripple?

11:49:39 23 A. I don't know.

11:49:46 24 Q. Were there any agreements with Coil and
11:49:49 25 Ripple regarding how Coil could use the XRP? If you

11:49:54 1 know.

11:49:55 2 A. Yes.

11:49:55 3 Q. And what types of agreements with Coil
11:49:58 4 regarding the use of XRP?

11:50:03 5 A. I don't know the specifics.

11:50:08 6 Q. Okay. Were you involved at all in working
11:50:12 7 out the agreement between coil and Ripple?

11:50:15 8 A. No.

11:50:16 9 Q. Did Coil have any agreements with Xpring?

11:50:22 10 A. Xpring --

11:50:23 11 MS. ZORNBERG: Object to form.

11:50:24 12 THE WITNESS: Xpring was a part of Ripple.

11:50:26 13 BY MS. GUERRIER:

11:50:27 14 Q. Mh-hmm.

11:50:27 15 A. So agreements with Xpring were not --
11:50:28 16 there were no agreements with Xpring. They were all
11:50:31 17 with Ripple.

11:50:36 18 Q. Okay. Was Coil a developer?

11:50:45 19 A. What do you mean when you say a developer.

11:50:46 20 Q. Do you understand what the term
11:50:47 21 "developer" means in the digital assets space?

11:50:54 22 A. I do, I think so, yes.

11:50:56 23 Q. What is your understanding of that term?

11:50:58 24 A. So I would say a developer is someone who
11:51:00 25 writes code, writes software code.

11:51:04 1 Q. Now, in your job of create -- working on
11:51:07 2 the ecosystem, did you work with developers?

11:51:11 3 MS. ZORNBERG: Object to form.

11:51:12 4 THE WITNESS: Yes.

11:51:16 5 BY MS. GUERRIER:

11:51:16 6 Q. So can you name some of the developers
11:51:17 7 that you worked with?

11:51:23 8 A. Yes. I will say "developer" is a term
11:51:26 9 that we -- the technology world uses both to
11:51:29 10 characterize individuals who -- human beings who
11:51:36 11 write code, as well as companies that build on
11:51:39 12 technology platforms. And so the companies that I
11:51:41 13 mentioned previously, like Coil, or like [REDACTED], we at
11:51:46 14 Xpring considered developers.

11:51:47 15 Q. So these are the specific companies that
11:51:49 16 build on --

11:51:50 17 A. Yes.

11:51:50 18 Q. -- the XRP platform that you work with?

11:51:54 19 A. Yes.

11:51:55 20 Q. Okay. Did -- and Xpring -- and when I say
11:52:03 21 Xpring, I'm referring to Ripple since -- based on
11:52:07 22 your testimony that they're all one of the same. Is
11:52:10 23 that a correct characterization? I don't want to
11:52:13 24 mischaracterize your statement.

11:52:16 25 MS. ZORNBERG: Yeah. Objection.

11:52:19 1 THE WITNESS: I think it depends on the
11:52:21 2 context.

11:52:21 3 BY MS. GUERRIER:

11:52:21 4 Q. All right. Well --

11:52:22 5 A. In terms of signing legal agreements,
11:52:25 6 there were no agreements with Xpring. The legal
11:52:26 7 entity was Ripple.

11:52:31 8 Q. Okay. So in the context of your job, did
11:52:34 9 you -- did you work on any deals with many, many
11:52:39 10 developers?

11:52:41 11 MS. ZORNBERG: Object to form.

11:52:43 12 THE WITNESS: Yes.

11:52:43 13 BY MS. GUERRIER:

11:52:44 14 Q. What specific deals did you work on?

11:52:48 15 A. I believe we answered this in the past.
11:52:51 16 These were deals, for example, with Coil, with [REDACTED],
11:52:55 17 with [REDACTED], with [REDACTED].

11:53:05 18 Q. Okay.

11:53:07 19 MS. ZORNBERG: Just note for the record,
11:53:08 20 for clarification, I'm not sure if the "you" in your
11:53:11 21 last question was meant Ethan Beard personally or
11:53:15 22 Xpring.

11:53:17 23 BY MS. GUERRIER:

11:53:17 24 Q. So -- I'll clarify.

11:53:22 25 So you, as SVP of Xpring -- and that's

11:53:26 1 what I'm talking about, did you work with developers
11:53:29 2 in creating deals with Ripple?

11:53:33 3 A. Yes.

11:53:34 4 Q. Is your answer the same?

11:53:36 5 A. I don't know. Can you ask them again?

11:53:38 6 Thank you for that clarification.

11:53:40 7 MS. GUERRIER: I'm sorry, can you please
11:53:41 8 repeat the question.

11:53:42 9 (Record read by the reporter
11:53:42 10 as follows:

11:53:50 11 "QUESTION: What specific
11:53:50 12 deals did you work on?"

11:53:53 13 THE WITNESS: Got it. Helpful. Thank
11:53:54 14 you.

11:54:02 15 And can you clarify what you mean by "work
11:54:04 16 on"?

11:54:07 17 BY MS. GUERRIER:

11:54:07 18 Q. Well, did you have any input in any of the
11:54:10 19 deals with the developers that you were working on?

11:54:13 20 A. Yes.

11:54:14 21 Q. Okay. What sort of input did you have?

11:54:18 22 A. I would have input ranging on structuring
11:54:24 23 of a deal or approval of a deal.

11:54:30 24 Q. Did you sign any of the deals?

11:54:33 25 A. Yes.

11:54:34 1 Q. Do you recall which ones you signed?

11:54:37 2 A. I believe I signed most of them.

11:54:45 3 Q. Okay.

11:54:54 4 MS. GUERRIER: This is unmarked. I'm
11:54:55 5 going to hand you a document that has not been
11:54:58 6 premarked, so I think we're going to just have to
11:55:01 7 mark it. If you could.

11:55:08 8 MS. ZORNBERG: For the folks on Zoom, can
11:55:09 9 you read the Bates number or will it be sent?

11:55:12 10 MS. GUERRIER: I'm just waiting for her
11:55:13 11 to --

11:55:17 12 Okay. So this is going to be Exhibit 5.

11:55:31 13 (Whereupon, Deposition Exhibit EB-5
11:55:32 14 was marked for identification.)

11:55:32 15 BY MS. GUERRIER:

11:55:33 16 Q. Okay. I've handed you documents Bates SEC
11:55:38 17 0413724. And it's -- it ends at 0413725, if you
11:56:11 18 flip to the back.

11:56:45 19 A. Okay.

11:56:45 20 Q. Okay. So Exhibit 5 is an email from
11:56:48 21 Stacey Ngo dated July 2nd, 2019, to you. And the
11:56:56 22 subject line is forwarding a Xpring -- and it's
11:57:00 23 "Xpring Momentum EOD Recap."

11:57:04 24 Do you see that?

11:57:05 25 A. I do.

11:57:05 1 Q. Do you recognize the exhibit?

11:57:09 2 A. Yeah. It looks to be as you described.

11:57:12 3 Q. Okay. Do you know what this string of
11:57:15 4 emails is about in Exhibit 5?

11:57:20 5 A. This appears to be a summary of
11:57:26 6 communications, outreach -- or activity, I would
11:57:30 7 say.

11:57:34 8 Q. Does this have to do with any of the deals
11:57:37 9 that Xpring was involved in around the -- July 2019?

11:57:53 10 A. I don't know if it's about specific deals.
11:57:55 11 I think it's about Xpring as a whole.

11:57:59 12 Q. So if you flip the page to document
11:58:03 13 number 0413725, and I believe it talks about some
11:58:08 14 press coverage?

11:58:11 15 A. Yes.

11:58:12 16 Q. Do you recall any of the deals under the
11:58:17 17 coverage heading? Or was it just one deal?

11:58:23 18 MS. ZORNBERG: Object to form. Misstates
11:58:24 19 prior testimony. Lack of foundation.

11:58:31 20 THE WITNESS: I don't have links to these
11:58:33 21 articles themselves, so I don't know what the
11:58:35 22 reporting was. It looks like, at the least, we've
11:58:38 23 talked about -- we're talking about the total
11:58:41 24 dollars as well as the total number of companies.

25 / /

11:58:43 1 BY MS. GUERRIER:

11:58:44 2 Q. So do you recall Xpring investing [REDACTED]
11:58:46 3 [REDACTED] dollars into 20 companies to boost XRP?

11:58:51 4 A. Yes. [REDACTED]

11:58:53 5 Q. [REDACTED]

11:58:55 6 A. Yes.

11:58:55 7 Q. And were you involved in any of those
11:58:59 8 deals between Xpring and the companies that are
11:59:03 9 referenced in this email?

11:59:07 10 A. Yes.

11:59:08 11 MS. ZORNBERG: Objection.

11:59:08 12 THE WITNESS: Sorry.

11:59:11 13 MS. ZORNBERG: What companies referenced?

11:59:13 14 MS. GUERRIER: Well, in general, the 20
11:59:15 15 companies that this email refers to.

11:59:19 16 MS. ZORNBERG: Object to form.

11:59:21 17 THE WITNESS: I don't know the 20 specific
11:59:23 18 companies here, so I can't speak to them
11:59:27 19 specifically.

11:59:27 20 BY MS. GUERRIER:

11:59:27 21 Q. Were you, as SVP of Xpring, involved in
11:59:31 22 the [REDACTED] deals with 20 companies, between
11:59:37 23 Xpring and the 20 companies?

11:59:39 24 MS. ZORNBERG: Objection. [REDACTED]

11:59:42 25 THE WITNESS: Again, I don't want to speak

11:59:44 1 about these specific companies without having a
11:59:46 2 list, but I would say, overall, I led the Xpring
11:59:49 3 team, and so this -- these activities took place
11:59:54 4 primarily with people on my team.

11:59:57 5 BY MS. GUERRIER:

11:59:58 6 Q. Okay.

11:59:58 7 A. Not exclusively.

12:00:02 8 Q. So is it -- was Xpring just actively
12:00:05 9 investing in developer projects?

12:00:08 10 MS. ZORNBERG: Object to form.

12:00:11 11 THE WITNESS: At this time?

12:00:12 12 BY MS. GUERRIER:

12:00:13 13 Q. I'm talking about this email. Yes.
12:00:16 14 June 2000 -- July 2019.

12:00:19 15 A. Yes. We were investing in partnering with
12:00:22 16 companies.

12:00:23 17 Q. Okay. Was there a criteria for picking
12:00:26 18 the companies that you were partnering with?

12:00:31 19 A. Yes.

12:00:33 20 Q. Do you recall the criteria for picking
12:00:35 21 companies that you -- that Xpring was dealing with?

12:00:41 22 A. I don't. It was not that specific.

12:00:45 23 Q. Okay. And who created the criteria for
12:00:49 24 picking companies in which Xpring would be
12:00:53 25 investing?

12:00:54 1 MS. ZORNBERG: Objection. Lack of
12:00:55 2 foundation.

12:01:00 3 THE WITNESS: As I stated, I think the
12:01:01 4 criteria was not specific.

12:01:05 5 BY MS. GUERRIER:

12:01:05 6 Q. Well, who created the criteria? That was
12:01:08 7 my question.

12:01:09 8 MS. ZORNBERG: Object to form.

12:01:10 9 THE WITNESS: Sorry. Which criteria?

12:01:13 10 BY MS. GUERRIER:

12:01:14 11 Q. For choosing -- my question was who
12:01:15 12 created the criteria for choosing the companies in
12:01:19 13 which Xpring invested?

12:01:23 14 MS. ZORNBERG: Object to form. Lack of
12:01:24 15 foundation.

12:01:24 16 THE WITNESS: So I think the criteria
12:01:25 17 you're referring to, as I said, was not specific.

12:01:29 18 BY MS. GUERRIER:

12:01:30 19 Q. Okay. But was there a criteria?

12:01:34 20 A. Yes.

12:01:35 21 Q. Did somebody create the criteria?

12:01:37 22 A. Yes.

12:01:38 23 Q. Who created the criteria?

12:01:40 24 A. Myself and the team Xpring.

12:01:44 25 Q. And who, other than you at the team, as

12:01:46 1 part of the Xpring team, created the criteria?

12:01:50 2 MS. ZORNBERG: Object to form.

12:01:55 3 THE WITNESS: I -- not knowing exactly
12:01:56 4 what criteria, I'm not sure I could say specifically
12:01:59 5 whom.

12:02:00 6 BY MS. GUERRIER:

12:02:01 7 Q. Well, you said -- did you not say there
12:02:02 8 was a criteria?

12:02:04 9 A. Yes.

12:02:05 10 Q. Okay. So -- and you created the criteria
12:02:08 11 with your team?

12:02:10 12 A. Correct.

12:02:10 13 Q. So who are the team members with whom you
12:02:13 14 created the criteria?

12:02:16 15 MS. ZORNBERG: Object to form.

12:02:18 16 THE WITNESS: I don't have a list of all
12:02:19 17 of my members of team Xpring conveniently located.
12:02:25 18 Would you like me to just names the ones I can
12:02:27 19 remember?

12:02:27 20 BY MS. GUERRIER:

12:02:29 21 Q. I mean, yes. That would be helpful.

12:02:30 22 A. Okay. So people I remember on team
12:02:35 23 Xpring. [REDACTED], [REDACTED]. Again --
12:02:42 24 actually, I should caveat, as of this date, I don't
12:02:45 25 know. So this is in my two-and-a half year tenure

12:02:47 1 these are people part of team Xpring.

12:02:51 2 Q. Okay. Let's -- let's try to stay within
12:02:52 3 the context of the --

12:02:53 4 A. Sure.

12:02:53 5 Q. -- July 2nd, 2019 email.

12:02:57 6 A. I don't know who was part of team Xpring
12:02:59 7 as of July 2nd, 2019.

12:03:02 8 Q. Okay. Did you receive any media coverage
12:03:15 9 with regard to the [REDACTED] investment that
12:03:21 10 you're talking about in the July 2nd, 2019 email?

12:03:27 11 MS. ZORNBERG: Object to form.

12:03:32 12 THE WITNESS: I don't remember the
12:03:32 13 specifics, but from this email, it appears that we
12:03:35 14 received five media reports.

12:03:40 15 BY MS. GUERRIER:

12:03:41 16 Q. Did you specifically give any press
12:03:45 17 conferences or interviews regarding the [REDACTED]
12:03:47 18 investment into the 20 companies referenced in the
12:03:53 19 July 2nd email, July 2nd, 2019 email?

12:04:05 20 A. I don't recall.

12:04:33 21 MS. GUERRIER: This is unmarked. We're
12:04:34 22 going to mark it as Exhibit 6, please.

12:04:37 23 (Whereupon, Deposition Exhibit EB-6
12:04:38 24 was marked for identification.)

12:04:48 25 THE WITNESS: Thank you.

12:04:49 1 BY MS. GUERRIER:

12:05:17 2 Q. I've handed you a document Bates stamped
12:05:21 3 SEC 0468211. It's an email from [REDACTED] to you,
12:05:29 4 and there are other Ripple employees. And it's
12:05:32 5 dated July 29th, 2019, with the subject, "SFBT
12:05:37 6 article."

12:05:38 7 Do you see that?

12:05:39 8 A. Yes.

12:05:40 9 Q. If you could just let me know when you are
12:05:43 10 done with this?

12:05:44 11 A. Yeah.

12:05:44 12 Okay.

12:06:01 13 Q. So does this refresh your recollection as
12:06:03 14 to whether or not you gave some interviews or press
12:06:08 15 regarding the Xpring [REDACTED]
12:06:13 16 investment into companies?

12:06:18 17 A. So this -- from this email, it looks like
12:06:21 18 I gave an interview with [REDACTED].

12:06:24 19 Q. Do you recall what you were discussing
12:06:25 20 with [REDACTED]?

12:06:28 21 A. I don't recall.

12:06:29 22 Q. Okay. Were you talking about the specific
12:06:32 23 investments into these companies?

12:06:35 24 MS. ZORNBERG: Object to form.

12:06:36 25 THE WITNESS: I -- I don't recall the

12:06:38 1 conversation.

12:06:39 2 BY MS. GUERRIER:

12:06:39 3 Q. Okay. So going back to Coil, do you
12:07:14 4 recall what Coil did with the XRP that it received
12:07:18 5 from Xpring?

12:07:22 6 MS. ZORNBERG: Objection.

12:07:23 7 THE WITNESS: I -- not do I not recall. I
12:07:26 8 don't know. I don't think I ever knew.

12:07:29 9 BY MS. GUERRIER:

12:07:31 10 Q. So did you have any involvement at all in
12:07:34 11 following up with Coil to determine what they would
12:07:38 12 be doing with the XRP that they received?

12:07:43 13 A. Yes.

12:07:44 14 Q. And what sort of responsibility is it you
12:07:47 15 had with regard to specifically following up with
12:07:49 16 Coil to determine what they did with the XRP?

12:07:54 17 A. So Coil was making investments or doing
12:08:01 18 partnerships with companies. And they would send
12:08:08 19 those companies to me to get my sign-off so that
12:08:12 20 Ripple would deploy the XRP to them.

12:08:17 21 Q. So deploy the XRP to whom?

12:08:20 22 A. To Coil.

12:08:20 23 Q. Okay. Did Ripple deploy XRP to companies
12:08:25 24 through Coil?

12:08:26 25 A. No.

12:08:30 1 Q. Are you familiar with a company named
12:08:32 2 GateHub?

12:08:33 3 A. Yes.

12:08:33 4 Q. What is GateHub?

12:08:36 5 A. GateHub is a cryptocurrency company.

12:08:39 6 Q. Did it have any relationship with Coil?

12:08:44 7 A. I believe so.

12:08:45 8 Q. Okay. Do you know what the relationship
12:08:47 9 between GateHub and Coil was?

12:08:51 10 A. I would be guessing.

12:08:53 11 Q. Okay. Do you know if Ripple ever funded
12:09:05 12 GateHub's operations at any time?

12:09:14 13 MS. ZORNBERG: Object to form.

12:09:15 14 THE WITNESS: I don't know.

12:09:15 15 BY MS. GUERRIER:

12:09:15 16 Q. Do you know if they sent money to Coil to
12:09:19 17 be -- as a conduit to GateHub?

12:09:23 18 MS. ZORNBERG: Objection.

12:09:28 19 THE WITNESS: I don't know.

12:09:29 20 BY MS. GUERRIER:

12:09:37 21 Q. And do you know if Coil basically sold the
12:09:41 22 XRP that it received from Ripple into the secondary
12:09:47 23 market?

12:09:48 24 MS. ZORNBERG: Objection.

12:09:48 25 THE WITNESS: I don't know.

12:09:53 1 BY MS. GUERRIER:

12:09:54 2 Q. Were there any specific agreements with
12:09:57 3 Coil managing how Coil could use the XRP that it
12:10:02 4 received?

12:10:03 5 A. Yes.

12:10:03 6 MS. ZORNBERG: Objection. Asked and
12:10:04 7 answered.

12:10:04 8 BY MS. GUERRIER:

12:10:05 9 Q. What type of -- what type of agreement
12:10:08 10 with Coil?

12:10:09 11 MS. ZORNBERG: Objection. Asked and
12:10:09 12 answered.

12:10:11 13 THE WITNESS: There was a legal agreement
12:10:13 14 between Ripple and Coil.

12:10:16 15 BY MS. GUERRIER:

12:10:17 16 Q. And what specifically did the legal
12:10:19 17 agreement require Coil to do with respect to XRP
12:10:23 18 being used?

12:10:26 19 MS. ZORNBERG: Objection.

12:10:30 20 THE WITNESS: I don't know all the
12:10:31 21 specifics of a contract, but it spelled out amounts,
12:10:37 22 requirements, restrictions.

12:10:40 23 BY MS. GUERRIER:

12:10:41 24 Q. What do you mean by "restrictions"?

12:10:48 25 A. It's a legal contract, so they're filled

12:10:50 1 with lots of things you can't do.

12:10:54 2 Q. Okay. Now, was it restriction with
12:10:56 3 respect to how Coil could use XRP?

12:11:01 4 A. Yes.

12:11:02 5 Q. Do you recall what specifically the
12:11:04 6 restrictions were?

12:11:10 7 A. I recall restrictions that Coil must use
12:11:14 8 the XRP to build an ecosystem around XRP or ILP.

12:11:26 9 Q. Did Coil, in fact, use the XRP to build
12:11:28 10 any ecosystem?

12:11:30 11 A. I don't know.

12:11:34 12 Q. Okay. And you mentioned [REDACTED] as one of
12:11:39 13 the companies that you worked with earlier; is that
12:11:42 14 correct?

12:11:42 15 A. I did.

12:11:43 16 Q. Okay. So what is [REDACTED]?

12:11:47 17 A. [REDACTED] is a technology company.

12:11:51 18 Q. What type of technology company?

12:11:55 19 A. They were building a gaming platform.

12:11:59 20 Q. Was there a specific agreement between
12:12:01 21 Ripple and [REDACTED] when you worked at Ripple?

12:12:05 22 A. Yes.

12:12:05 23 Q. What type of agreement?

12:12:12 24 A. It was a -- I believe a marketing
12:12:17 25 agreement.

12:12:22 1 Q. Did Ripple provide any funding to [REDACTED]?

12:12:31 2 A. Can you clarify what you mean by
12:12:33 3 "funding"?

12:12:34 4 Q. Did Ripple give money to [REDACTED]?

12:12:36 5 A. Yes.

12:12:37 6 MS. ZORNBERG: Object to form.

12:12:37 7 BY MS. GUERRIER:

12:12:38 8 Q. Did Ripple give XRP to [REDACTED]?

12:12:41 9 A. Yes.

12:12:42 10 Q. Do you know how much XRP [REDACTED] received
12:12:45 11 from Ripple over the time that you worked as SVP of
12:12:49 12 Xpring?

12:12:50 13 A. I don't remember specifically.

12:12:55 14 Q. And do you know what [REDACTED] did with the
12:12:58 15 XRP that it received from Ripple?

12:13:00 16 A. No.

12:13:08 17 Q. And was there -- were there any
12:13:10 18 restrictions on [REDACTED] as to how it could use its
12:13:14 19 XRP?

12:13:18 20 A. Yes.

12:13:18 21 Q. What types of restrictions, if you recall?

12:13:23 22 A. There were restrictions on -- [REDACTED] was
12:13:26 23 required to use the XRP to build out an ecosystem of
12:13:34 24 developers on top of their gaming platform.

12:13:37 25 Q. Do you know if, in fact, [REDACTED] used the

12:13:40 1 XRP that it received from Ripple?

12:13:42 2 MS. ZORNBERG: Object to form.

12:13:48 3 THE WITNESS: I'd say my understanding is
12:13:50 4 yes, but I don't have -- I can't see their account,
12:13:52 5 so I don't know. From what they've told me, yes.

12:13:56 6 BY MS. GUERRIER:

12:13:57 7 Q. Do you know if they sold the XRP into the
12:13:59 8 secondary market?

12:14:00 9 A. I don't know.

12:14:01 10 Q. Okay. Would you have been concerned if
12:14:03 11 they were selling the XRP that they were receiving
12:14:06 12 from Ripple?

12:14:08 13 MS. ZORNBERG: Objection. Speculative.

12:14:15 14 THE WITNESS: Sorry, the question is would
12:14:16 15 I have been concerned? I think the answer to that
12:14:21 16 is yes.

12:14:22 17 BY MS. GUERRIER:

12:14:22 18 Q. Why would you have been concerned if they
12:14:24 19 were selling the XRP into the secondary market?

12:14:29 20 MS. ZORNBERG: Objection.

12:14:30 21 You can answer.

12:14:31 22 THE WITNESS: There were, in our
12:14:35 23 agreement, restrictions from them selling
12:14:37 24 significant amounts. And I also would have been
12:14:41 25 concerned if it was in violation of the other parts

12:14:44 1 of the agreement.

12:14:48 2 MS. GUERRIER: I think this is a good time
12:14:49 3 to take a break.

12:14:50 4 MS. ZORNBERG: Whatever suits you.

12:14:52 5 MS. GUERRIER: Yeah.

12:14:53 6 THE WITNESS: Okay.

12:14:55 7 THE VIDEOGRAPHER: Okay. Off the record
12:14:55 8 at 12:14 p.m.

12:14:56 9 (Whereupon, a recess was taken.)

12:33:22 10 THE VIDEOGRAPHER: This is the start of
12:33:23 11 file 3. We're back on the record at 12:33 p.m.

12:33:27 12 MS. ZORNBERG: Mr. Beard wanted to make a
12:33:30 13 small clarification on the record.

12:33:31 14 Do you want to --

12:33:33 15 THE WITNESS: Yeah. Absolutely. Excuse
12:33:34 16 me. So we had discussed a number of the deals that
12:33:36 17 team Xpring worked on, and I just wanted to clarify
12:33:39 18 that there were -- well, you had asked around
12:33:42 19 involvement of deals. I was involved with many of
12:33:44 20 the deals. There were some deals that I did not
12:33:47 21 negotiate. So specifically the deals for Coil and
12:33:52 22 for [REDACTED] were negotiated and put in place prior to
12:33:57 23 or independently of my involvement with Xpring.

12:34:03 24 BY MS. GUERRIER:

12:34:03 25 Q. Okay. Speaking -- do you know if Ripple

12:34:09 1 sold XRP to anyone that you -- that Coil was working
12:34:16 2 with?

12:34:18 3 MS. ZORNBERG: Object to form.

12:34:19 4 THE WITNESS: I don't know.

12:34:19 5 BY MS. GUERRIER:

12:34:28 6 Q. Let me rephrase that, 'cause I just need
12:34:30 7 to make sure that the question is clear. I think I
12:34:34 8 just boggled it.

12:34:35 9 But did you know whether the entities that
12:34:43 10 received XRP sold to anyone using the platforms that
12:34:48 11 you worked with, such as Coil, et cetera?

12:34:52 12 MS. ZORNBERG: Objection to form.

12:34:53 13 THE WITNESS: I don't know.

12:34:53 14 BY MS. GUERRIER:

12:34:54 15 Q. You don't. Okay.

12:35:44 16 This is an unmarked exhibit. It's going
12:35:47 17 to be Exhibit 7. Let me just read the Bates. Bates
12:35:50 18 numbers beginning with 0875694 and ending at
12:36:03 19 0875696.

12:36:06 20 (Whereupon, Deposition Exhibit EB-7
02:25:47 21 was marked for identification.)

12:36:20 22 BY MS. GUERRIER:

12:36:47 23 Q. So if you could just let me know when
12:36:49 24 you're done reviewing the Exhibit 8 -- 7.

12:38:29 25 A. Okay.

12:38:30 1 Q. So this is an email from you to [REDACTED]
12:38:32 2 [REDACTED] dated March 20th, 2019. And the subject is
12:38:38 3 "GateHub LTD."

12:38:41 4 Do you see that?

12:38:42 5 A. I do.

12:38:42 6 Q. Okay. So do you have a general
12:38:45 7 understanding of what this email is about?

12:38:49 8 MS. ZORNBERG: Object to form. It's an
12:38:52 9 email chain. What email are you directing him to?

12:38:58 10 MS. GUERRIER: I just read the email dated
12:39:01 11 March 20th, 2019, from Ethan Beard to [REDACTED]
12:39:05 12 [REDACTED] with the subject "Gatehub LTD." That's what
12:39:10 13 I'm referring to.

12:39:11 14 MS. ZORNBERG: Object to form.

12:39:16 15 THE WITNESS: Yes.

12:39:16 16 BY MS. GUERRIER:

12:39:17 17 Q. What is this email about?

12:39:19 18 A. This email is me telling [REDACTED] that I'm
12:39:23 19 going to check in with finance to get their
12:39:27 20 preferences.

12:39:28 21 Q. So was this email concerning an inquiry
12:39:31 22 about -- from Coil regarding who would be paying a
12:39:39 23 service contract with respect to GateHub?

12:39:44 24 MS. ZORNBERG: Object to form.

12:39:45 25 THE WITNESS: This email that I sent?

12:39:47 1 BY MS. GUERRIER:

12:39:47 2 Q. No. You are responding to, when you say
12:39:49 3 let me check with finance and preference.

12:39:53 4 MS. ZORNBERG: Object to form.

12:39:55 5 THE WITNESS: So you're asking about the
12:39:56 6 email from Mr. Thomas?

12:39:58 7 BY MS. GUERRIER:

12:39:59 8 Q. What were you responding to Mr. --

12:40:00 9 A. I was replying to an email from [REDACTED]
12:40:03 10 dated March 20th, 2019.

12:40:05 11 Q. And what did [REDACTED] seek from you --

12:40:09 12 MS. ZORNBERG: Object to form.

12:40:09 13 BY MS. GUERRIER:

12:40:09 14 Q. -- in his email of March 20th, 2019?

12:40:12 15 MS. ZORNBERG: Object to form.

12:40:13 16 THE WITNESS: In reading the email from
12:40:21 17 Mr. Thomas, he is looking to understand how this
12:40:32 18 opportunity with GateHub fits into the contractual
12:40:37 19 relationship between Coil and Ripple.

12:40:39 20 BY MS. GUERRIER:

12:40:40 21 Q. Okay. Is Mr. [REDACTED] asking who would be
12:40:42 22 paying the contract between GateHub and Coil?

12:40:47 23 MS. ZORNBERG: Object to form.

12:40:51 24 THE WITNESS: In reading this email, it
12:41:00 25 looks as though he's trying to understand who is --

12:41:05 1 how Gatehub is going to get paid, according to the
12:41:08 2 terms of the contract between Ripple and Coil.

12:41:10 3 BY MS. GUERRIER:

12:41:11 4 Q. Why would this email be responded by you?

12:41:17 5 MS. ZORNBERG: Object to form.

12:41:22 6 THE WITNESS: So the Coil -- the Coil
12:41:23 7 deal, which I was not involved in putting together,
12:41:26 8 was -- the relationship was basically handed to team
12:41:31 9 Xpring and to my team to manage on an ongoing basis.

12:41:35 10 BY MS. GUERRIER:

12:41:35 11 Q. So in March 2019, were you responsible for
12:41:38 12 managing the Coil deal?

12:41:41 13 MS. ZORNBERG: Object to form.

12:41:46 14 THE WITNESS: I would say I was
12:41:47 15 responsible for the relationship.

12:41:51 16 BY MS. GUERRIER:

12:41:52 17 Q. Okay. So do you see where [REDACTED] says
12:41:56 18 that Ripple has set aside [REDACTED] XRP
12:42:01 19 to be used at Coil's discretion?

12:42:07 20 A. I do.

12:42:07 21 Q. Were you aware that Ripple had set aside
12:42:12 22 [REDACTED] XRP to be used at Coil's discretion?

12:42:17 23 A. I -- I don't recall if I was aware as of
12:42:20 24 this date.

12:42:21 25 Q. Okay. So going further in the same email,

12:42:34 1 the March 20th, 2019, from [REDACTED]
12:42:39 2 [REDACTED], he states two conditions in that email with
12:42:45 3 regard to the [REDACTED] XRP? The support of the
12:42:52 4 XRP/IL [sic] ecosystem, and the other condition is
12:42:57 5 that it be tax deductible for Ripple.

12:43:00 6 Do you see that?

12:43:01 7 A. I do.

12:43:02 8 Q. Okay. Do you know why he would ask you --
12:43:06 9 refer to the GateHub project and state that it would
12:43:09 10 fulfill these criteria?

12:43:12 11 MS. ZORNBERG: Object to form.

12:43:17 12 THE WITNESS: I don't.

12:43:18 13 BY MS. GUERRIER:

12:43:19 14 Q. So -- and when you respond on the 20th,
12:43:23 15 March 20th, 2019, "let me check with finance in
12:43:29 16 preference," what were you going to check with
12:43:32 17 finance?

12:43:33 18 MS. ZORNBERG: Object to form.

12:43:37 19 THE WITNESS: Since I was not involved
12:43:39 20 with negotiating this deal, I was not familiar with
12:43:44 21 the terms and so didn't feel as though I could
12:43:49 22 answer questions regarding how an individual
12:43:53 23 relationship would fit into the terms. And so I was
12:43:55 24 going to check with finance to get a sense as to
12:43:59 25 their understanding.

12:43:59 1 BY MS. GUERRIER:

12:44:00 2 Q. Did you become familiar with the terms of
12:44:02 3 the agreement between Ripple and Coil as it relates
12:44:06 4 to GateHub?

12:44:09 5 MS. ZORNBERG: Object to form.

12:44:16 6 THE WITNESS: I would say I became more
12:44:19 7 familiar, certainly through emails like this one.

12:44:22 8 BY MS. GUERRIER:

12:44:22 9 Q. Okay. So did Ripple ultimately pay the
12:44:24 10 service contract between Coil and GateHub?

12:44:29 11 MS. ZORNBERG: Object to form.

12:44:33 12 THE WITNESS: I don't remember what the --
12:44:40 13 in what form that payment went through.

12:44:42 14 BY MS. GUERRIER:

12:44:42 15 Q. Did that payment go through?

12:44:44 16 A. I believe so.

12:44:44 17 Q. Okay. With regard to [REDACTED], do you know
12:45:12 18 if Ripple paid any of [REDACTED] expenses?

12:45:18 19 MS. ZORNBERG: Object to form.

12:45:18 20 THE WITNESS: Can you clarify what you
12:45:20 21 mean by "expenses."

12:45:21 22 BY MS. GUERRIER:

12:45:22 23 Q. Do you understand what "expenses" mean in
12:45:24 24 general?

12:45:25 25 MS. ZORNBERG: Objection.

12:45:27 1 THE WITNESS: Yes.

12:45:28 2 BY MS. GUERRIER:

12:45:29 3 Q. What is your understanding of expenses?

12:45:30 4 A. Expenses are costs that a company incurs.

12:45:35 5 Q. Okay. So did Ripple pay any of [REDACTED]

12:45:37 6 expenses, as you understand that term?

12:45:40 7 A. Not that I'm aware of.

12:45:45 8 Q. When you say not that you're aware of,
12:45:48 9 would it have been possible that Ripple were paying
12:45:51 10 for these expenses but you didn't know about it?

12:45:54 11 MS. ZORNBERG: Objection. And don't
12:45:55 12 guess.

12:46:02 13 THE WITNESS: I don't -- I just ran a
12:46:05 14 small piece of Ripple. I don't know everything that
12:46:08 15 Ripple is doing.

12:46:09 16 BY MS. GUERRIER:

12:46:09 17 Q. Okay. Did you interact with [REDACTED] at all
12:46:15 18 as part of your job?

12:46:17 19 A. Yes.

12:46:18 20 Q. How -- what types of interactions did you
12:46:21 21 have with [REDACTED]?

12:46:25 22 A. Generally, emails or meetings with the CEO
12:46:29 23 of [REDACTED].

12:46:31 24 Q. Okay. What were those meetings about, in
12:46:36 25 general?

12:46:36 1 A. Generally, they were about the product
12:46:38 2 that they're building and the progress they were
12:46:40 3 making.

12:46:42 4 Q. Okay. And specifically, what was the
12:46:43 5 product again?

12:46:45 6 A. [REDACTED] is building a platform for game
12:46:49 7 developers.

12:46:57 8 Q. Did [REDACTED] send any bills to Ripple on a
12:47:01 9 consistent basis to be paid?

12:47:05 10 MS. ZORNBERG: Object to form.

12:47:10 11 THE WITNESS: No.

12:47:16 12 MS. GUERRIER: I'm going to hand you
12:47:51 13 premarked Exhibit 39, Bates stamped 0451655.

12:47:59 14 (Whereupon, Deposition Exhibit EB-39
12:48:00 15 was marked for identification.)

12:48:45 16 THE WITNESS: Okay.

12:48:49 17 BY MS. GUERRIER:

12:48:50 18 Q. So -- and this is an email from you dated
12:48:53 19 August 12, 2019, to [REDACTED]. And the subject is
12:48:57 20 "Medium post for Coil."

12:49:00 21 Can you tell me what this email is about?

12:49:05 22 A. This is an email with some ideas that I'm
12:49:09 23 having for a blog post.

12:49:14 24 Q. What kind of ideas were you having for
12:49:18 25 this blog post?

12:49:20 1 MS. ZORNBERG: Object to form.

12:49:25 2 THE WITNESS: So these ideas are around
12:49:28 3 communicating what we're doing on Xpring and how our
12:49:33 4 various partnerships fit into that.

12:49:36 5 BY MS. GUERRIER:

12:49:36 6 Q. Okay. So if you could read the first
12:49:38 7 point under your title, "A few things I think we
12:49:42 8 should touch on."

12:49:44 9 A. Certainly.

12:49:45 10 "All XRP that Xpring deploys
12:49:47 11 is with the purpose of building an
12:49:49 12 ecosystem around XRP."

12:49:51 13 Q. Okay. So what do you mean by "the purpose
12:49:54 14 of building an ecosystem around XRP"?

12:50:02 15 A. By building an ecosystem around XRP, I
12:50:05 16 mean companies that are building on XRP Ledger.

12:50:11 17 Q. Your next statement, if you could please
12:50:12 18 read that into the record?

12:50:14 19 A. Sure.

12:50:15 20 "Our largest deals like this
12:50:17 21 of Coil and that of [REDACTED] are for
12:50:20 22 them to build platform that deeply
12:50:22 23 embed XRP and ILP and then capital
12:50:24 24 to help drive adoption of their
12:50:26 25 platforms. They are, in essence,

12:50:28 1 extensions of Xpring."

12:50:37 2 Q. So what do you mean by [REDACTED] and Coil
12:50:40 3 building platform that deeply embed XRP?

12:50:49 4 A. So what this refers to is that there
12:50:54 5 are -- when looking to build an ecosystem, we were
12:51:01 6 partnering or investing in companies that were
12:51:03 7 directly using our technologies, or we were
12:51:06 8 partnering with companies that were building
12:51:10 9 technology platforms of their own.

12:51:11 10 And so, for example, with a company like
12:51:13 11 [REDACTED], if they were using our technology and they
12:51:16 12 opened their developer platform, then, by default,
12:51:20 13 they'd be using our technology as well. And so they
12:51:24 14 were -- that gave us leverage in that we didn't have
12:51:27 15 to have all the individual relationships with every
12:51:29 16 single developer. We could get them by extension
12:51:33 17 through a partner.

12:51:36 18 Q. Okay. And then what do you mean by
12:51:38 19 "driving adoption to their platform"?

12:51:43 20 A. So that -- saying that we would provide
12:51:46 21 capital to help drive an option to their platform,
12:51:49 22 so that they have a developer platform that is using
12:51:52 23 our technology, and we would provide marketing
12:51:54 24 dollars and funds to help bring developers on to
12:51:58 25 their technology platform.

12:52:00 1 Q. Okay. So was the purpose to then have XRP
12:52:02 2 be made available to these developers?

12:52:05 3 MS. ZORNBERG: Object to form.

12:52:06 4 THE WITNESS: The purpose was to have
12:52:07 5 those developers building on a platform, a
12:52:10 6 technology platform, that included the technology
12:52:14 7 that we were looking to drive adoption of.

12:52:17 8 BY MS. GUERRIER:

12:52:17 9 Q. Did that factor in XRP at all?

12:52:20 10 MS. ZORNBERG: Object to form.

12:52:23 11 THE WITNESS: We were building around XRP
12:52:24 12 Ledger, so yes, XRP and XRP Ledger are the same
12:52:28 13 thing.

12:52:28 14 BY MS. GUERRIER:

12:52:29 15 Q. I'm talking about the actual --

12:52:31 16 THE REPORTER: I'm sorry, can you repeat
12:52:32 17 that?

12:52:32 18 BY MS. GUERRIER:

12:52:33 19 Q. I'm talking about the actual XRP token.

12:52:37 20 MS. ZORNBERG: Object to form.

12:52:39 21 THE WITNESS: I'm sorry, what's your
12:52:40 22 question?

12:52:40 23 BY MS. GUERRIER:

12:52:41 24 Q. The question is, driving developers to the
12:52:43 25 platform, was that the purpose of that so that they

12:52:48 1 can basically have the XRP availability to them?

12:52:54 2 MS. ZORNBERG: Object to form.

12:52:58 3 THE WITNESS: Sorry, can you repeat the
12:52:59 4 question for me?

12:53:01 5 (Record read by the reporter
12:53:01 6 as follows:

12:53:01 7 "QUESTION: The question is,
12:53:01 8 driving developers to the
12:53:01 9 platform, was that the purpose of
12:53:01 10 that so that they can basically
12:53:01 11 have the XRP availability to
12:53:01 12 them?")

12:53:15 13 MS. ZORNBERG: Object to form.

12:53:17 14 THE WITNESS: Sorry, do you think you can
12:53:18 15 clarify that question for me?

12:53:19 16 BY MS. GUERRIER:

12:53:20 17 Q. So was the purpose of bringing all these
12:53:24 18 developers into the platforms making more developers
12:53:28 19 available to basically facilitate selling XRP to the
12:53:33 20 public?

12:53:34 21 MS. ZORNBERG: Object to form.

12:53:36 22 THE WITNESS: No. We had nothing involved
12:53:38 23 with selling XRP to the public.

12:53:40 24 BY MS. GUERRIER:

12:53:42 25 Q. Did the developers that you brought into

12:53:43 1 the platform sell XRP to the public?

12:53:46 2 A. I don't know.

12:53:54 3 Q. What did you mean by they are, in essence,
12:53:57 4 an extension of Xpring, in your email of
12:54:00 5 August 12th, 2019?

12:54:03 6 MS. ZORNBERG: Objection. Slightly
12:54:05 7 misread.

12:54:11 8 THE WITNESS: So what I meant by this, so
12:54:13 9 Xpring, we were building a developer platform that
12:54:16 10 enabled developers to build on top of XRP Ledger.
12:54:21 11 And by working with other companies that are
12:54:24 12 building a developer platform and having -- putting
12:54:28 13 together relationships with those companies embedded
12:54:31 14 the technology, then those companies became
12:54:34 15 developer platforms that were using XRP Ledger.

12:54:37 16 And so in essence, they allowed me, me,
12:54:40 17 Xpring, they allowed Xpring to reach far more
12:54:43 18 developers without us having to go actually build
12:54:45 19 those relationships one at a time.

12:54:47 20 BY MS. GUERRIER:

12:54:48 21 Q. Did the fact that Ripple was funding these
12:54:52 22 developers have anything to do with them being an
12:54:56 23 extension of Xpring?

12:55:01 24 MS. ZORNBERG: Object to form.

12:55:02 25 THE WITNESS: Sorry, to clarify. The --

12:55:03 1 there are two set of developers here so I want to
12:55:06 2 make sure I'm clear on what I'm saying, is the
12:55:08 3 "they" in this statement refers to companies like
12:55:11 4 Coil and [REDACTED].

12:55:12 5 BY MS. GUERRIER:

12:55:13 6 Q. The companies that are -- that are being
12:55:16 7 discussed in this email?

12:55:18 8 A. Correct. But the adoption of -- on their
12:55:22 9 platform are third-party companies that are building
12:55:24 10 on their platforms. So we, Ripple, we have a
12:55:29 11 platform that allows developers to easily use XRP
12:55:34 12 Ledger. And we could go out and build all -- for
12:55:37 13 example, all the services for game developers. But
12:55:40 14 the gaming industry is very big, so rather than
12:55:42 15 building all that technology ourselves, we went to a
12:55:46 16 company like [REDACTED] who is building a company to
12:55:48 17 reach game developers and we said, great, we'll work
12:55:52 18 with you to enable XRP Ledger so that you can reach
12:55:55 19 your developers.

12:55:55 20 And so the -- [REDACTED] is acting, in essence,
12:55:58 21 like an extension of Xpring in that they have built
12:56:01 22 a developer platform that uses our technology.

12:56:06 23 Q. Is it acting as an extension of Xpring to
12:56:08 24 the extent that it's -- Ripple is controlling what
12:56:15 25 [REDACTED] can do?

12:56:16 1 MS. ZORNBERG: Objection. Misstates
12:56:18 2 past -- prior testimony.

12:56:23 3 THE WITNESS: I think it's an extension of
12:56:24 4 Xpring to the extent that it extends our developer
12:56:27 5 platform to reach a whole new set of developers.

12:56:32 6 BY MS. GUERRIER:

12:56:33 7 Q. Was Ripple controlling [REDACTED] in that
12:56:36 8 aspect?

12:56:39 9 MS. ZORNBERG: Object to form.

12:56:39 10 THE WITNESS: No. Ripple had a
12:56:40 11 contractual relationship with [REDACTED].

12:56:43 12 BY MS. GUERRIER:

12:56:44 13 Q. So are you saying that [REDACTED] were
12:56:47 14 independent of Xpring?

12:56:49 15 A. Yes.

12:56:50 16 Q. And that -- was Ripple not influencing
12:56:54 17 Xpring's actions?

12:56:56 18 MS. ZORNBERG: Object to form.

12:56:59 19 THE WITNESS: What do you mean by
12:57:00 20 influencing?

12:57:01 21 BY MS. GUERRIER:

12:57:02 22 Q. By funding [REDACTED], did Ripple have any
12:57:05 23 influence on what Xpring could do?

12:57:11 24 MS. ZORNBERG: Object to form.

12:57:11 25 THE WITNESS: We had a contractual

12:57:12 1 relationship between [REDACTED] and Ripple that spelled
12:57:15 2 out requirements on both parties.

12:57:19 3 BY MS. GUERRIER:

12:57:21 4 Q. So was Ripple -- just -- was Ripple
12:57:26 5 controlling -- regardless of this contract, but the
12:57:29 6 reality of the Ripple and [REDACTED] relationship, was
12:57:34 7 that Ripple was controlling how Xpring could act in
12:57:39 8 terms of as a developer?

12:57:45 9 MS. ZORNBERG: Objection.

12:57:46 10 THE WITNESS: I think what you meant to
12:57:47 11 say was how [REDACTED] was acting.

12:57:50 12 BY MS. GUERRIER:

12:57:50 13 Q. I'm sorry, how Forte -- yes.

12:57:52 14 MS. ZORNBERG: Yeah, object to the form of
12:57:53 15 the question.

12:57:54 16 THE WITNESS: I'm sorry, can you read that
12:57:55 17 back to me?

12:57:56 18 (Record read by the reporter
12:57:56 19 as follows:

12:58:19 20 "QUESTION: So was Ripple --
12:58:19 21 just -- was Ripple controlling --
12:58:19 22 regardless of this contract, but
12:58:19 23 the reality of the Ripple and
12:58:19 24 [REDACTED] relationship, was that
12:58:19 25 Ripple was controlling how Xpring

12:58:19 1 could act in terms of as a
12:58:19 2 developer?")
12:58:20 3 MS. ZORNBERG: Object to form.
12:58:26 4 THE WITNESS: [REDACTED] is a very well
12:58:29 5 established company with a number of
12:58:32 6 exceptionally -- exceptionally high quality
12:58:35 7 institutional investors and incredible
12:58:38 8 entrepreneurs, and is exceptionally independent,
12:58:42 9 acting completely independently from Ripple and
12:58:44 10 Xpring.
12:58:45 11 MS. GUERRIER: Okay. Let me hand you
12:58:46 12 this. This is going to be Exhibit 8.
12:58:49 13 (Whereupon, Deposition Exhibit EB-8
12:58:50 14 was marked for identification.)
12:59:15 15 MS. GUERRIER: Lunch break after this.
01:00:29 16 Bates number 0767704 to 0767706.
01:02:02 17 THE WITNESS: Okay.
01:02:03 18 BY MS. GUERRIER:
01:02:04 19 Q. Okay. So do you have a general idea of
01:02:06 20 what this email from you dated March 8, 2019, to
01:02:12 21 [REDACTED] and copying yourself and a bunch of
01:02:15 22 other people, the subject is "PR draft finalized,"
01:02:22 23 what this email concerns?
01:02:23 24 A. Yes.
01:02:24 25 Q. And what is this email about?

01:02:26 1 MS. ZORNBERG: Objection to form.

01:02:32 2 THE WITNESS: This email is about some
01:02:38 3 communications and press that we were working on
01:02:43 4 which was going to discuss the [REDACTED] and Ripple
01:02:46 5 relationship.

01:02:51 6 BY MS. GUERRIER:

01:02:51 7 Q. Was there a problem with the [REDACTED] and
01:02:57 8 Ripple relationship that raised concern in this
01:03:02 9 email?

01:03:03 10 A. No.

01:03:04 11 MS. ZORNBERG: Object to form.

01:03:04 12 THE WITNESS: Sorry.

01:03:05 13 BY MS. GUERRIER:

01:03:06 14 Q. So if you could please read your statement
01:03:12 15 in the first paragraph, please.

01:03:15 16 A. "Thanks, [REDACTED] this all makes sense."

01:03:22 17 Q. The second paragraph.

01:03:24 18 A. "On the equity piece, we don't feel
01:03:26 19 strongly that we need to be listed. I just want to
01:03:29 20 avoid a situation where we're answering the question
01:03:31 21 without specifically answering it (i.e., here's a
01:03:35 22 long list of investors but we won't confirm or deny
01:03:38 23 if Ripple is also on the list) which puts us in a
01:03:41 24 situation where there's speculation that we're not
01:03:44 25 controlling. If people assume from our nonanswer

01:03:47 1 that the answer is yes, then there's a distinct
01:03:50 2 possibility they read the worst into the situation
01:03:52 3 (i.e., [REDACTED] is deep in bed with Ripple via
01:03:54 4 investment and Ripple is throwing around weight as
01:03:56 5 an investor to ram through our agenda) rather than
01:03:58 6 the message we want (i.e., Ripple participating in
01:04:01 7 an investing round alongside other great investors
01:04:03 8 in a great company innovating in blockchain."

01:04:07 9 Q. So the message that you claim in this
01:04:09 10 email that you want, was this an accurate message
01:04:12 11 that -- regarding that you want investors to see
01:04:19 12 Ripple participating in investing round alongside
01:04:23 13 other great investors?

01:04:25 14 MS. ZORNBERG: Object to form. And --
01:04:27 15 object to form. Partial reading.

01:04:33 16 You can answer if you understand.

01:04:34 17 THE WITNESS: Sorry. Are you asking --
01:04:36 18 BY MS. GUERRIER:

01:04:37 19 Q. What did you mean by this statement, the
01:04:38 20 last statement in the paragraph that you just
01:04:41 21 read --

01:04:42 22 MS. ZORNBERG: Object to form.

01:04:42 23 BY MS. GUERRIER:

01:04:43 24 Q. -- beginning with "If people assume from
01:04:46 25 our nonanswer"?

01:04:49 1 A. So there was discussion as to whether we
01:04:59 2 would include Ripple as a list of investors in
01:05:04 3 [REDACTED] press, and if we would then -- if we didn't,
01:05:11 4 if we would -- how we would answer if someone asked.
01:05:15 5 And I was pushing for transparency where I wanted us
01:05:19 6 to be able to be open and honest with what we were
01:05:22 7 doing rather than neither saying yes or no. And so
01:05:25 8 what this statement is saying is if we don't say yes
01:05:28 9 or no, then we lose control of the messaging
01:05:32 10 entirely and people can assume anything.

01:05:38 11 Q. So why was there push back from including
01:05:49 12 Ripple as an investor in [REDACTED]?

01:05:52 13 MS. ZORNBERG: Object to form.

01:05:57 14 THE WITNESS: Sorry, where are you seeing
01:05:59 15 the push back?

01:06:00 16 BY MS. GUERRIER:

01:06:00 17 Q. Well, what are you -- why are you making a
01:06:02 18 comparison of not including the information that
01:06:07 19 Ripple was an investor in [REDACTED] versus including it?

01:06:12 20 MS. ZORNBERG: Object to form. Misstates
01:06:15 21 the document.

01:06:18 22 THE WITNESS: So reading on in this email,
01:06:21 23 I say:

01:06:21 24 "I totally understand this --
01:06:23 25 not wanting this to devolve into a

01:06:26 1 ledger holy war."

01:06:28 2 I would say that the cryptocurrency
01:06:32 3 industry tends to be characterized by what are often
01:06:39 4 called maximalists, which are people who believe
01:06:42 5 that there will be just one blockchain and the rest
01:06:45 6 of them will disappear.

01:06:47 7 [REDACTED] was very interested in -- is very
01:06:55 8 interested in being a company that works across
01:06:57 9 multiple blockchains. And so they're expressing,
01:07:01 10 and I'm agreeing, that we should make sure that
01:07:07 11 there's messaging out there that does not push them
01:07:10 12 in a world where -- as I say here, there's a ledger
01:07:14 13 holy war, where they are positioned as only building
01:07:17 14 on a single blockchain, because that's not what
01:07:20 15 they're doing. And so just being mindful about how
01:07:23 16 we communicate that publicly.

01:07:24 17 BY MS. GUERRIER:

01:07:24 18 Q. So were they concerned that were -- if it
01:07:28 19 looked like the business interests were intertwined
01:07:33 20 that this have would hurt them --

01:07:36 21 MS. ZORNBERG: Object to form.

01:07:36 22 BY MS. GUERRIER:

01:07:36 23 Q. -- financially?

01:07:39 24 MS. ZORNBERG: Objection.

01:07:40 25 THE WITNESS: I wouldn't want to speak for

01:07:41 1 them.

01:07:42 2 BY MS. GUERRIER:

01:07:42 3 Q. Okay. Well, if you read -- go down to

01:07:44 4 [REDACTED] email, the fourth paragraph where

01:07:53 5 he states that:

01:07:53 6 "I think people are less

01:07:55 7 likely to buy."

01:07:58 8 Is that the email that you are responding

01:08:01 9 to?

01:08:03 10 MS. ZORNBERG: Object to form.

01:08:05 11 THE WITNESS: That is the email I am

01:08:07 12 responding to.

01:08:08 13 BY MS. GUERRIER:

01:08:08 14 Q. Okay. So why was he concerned that

01:08:11 15 including Ripple as an investor in [REDACTED] would hurt

01:08:16 16 their company financially?

01:08:19 17 MS. ZORNBERG: Object to form.

01:08:21 18 THE WITNESS: Where does it say he's

01:08:22 19 concerned about it hurting them financially?

01:08:25 20 BY MS. GUERRIER:

01:08:25 21 Q. If you read -- can you read the sentence,

01:08:26 22 "I think that people are less likely to buy"?

01:08:31 23 A. Can you finish reading -- sorry. I will

01:08:33 24 read that sentence. "I think that people are less

01:08:35 25 likely to buy that," referring to the messaging.

01:08:39 1 Q. And "the more it looks like business
01:08:42 2 interests are intertwined"?

01:08:46 3 MS. ZORNBERG: Object to form.

01:08:46 4 THE WITNESS: So this document is working
01:08:48 5 on messaging. We're trying to figure out messaging,
01:08:51 6 public messaging and communications. And so we want
01:08:57 7 to make sure that it's very clear what the message
01:09:00 8 is and avoid ambiguity. And so this statement from
01:09:08 9 him, I don't want to read into what the "that" is,
01:09:13 10 but it's referring to some messaging that we were
01:09:17 11 debating, saying that I think that more -- I think
01:09:19 12 that more -- I think that people are less likely to
01:09:22 13 buy that the more it looks like the businesses are
01:09:25 14 intertwined.

01:09:26 15 [REDACTED] wanted to make sure that they were
01:09:27 16 portrayed as working with many different block
01:09:30 17 chains because they do, and they were concerned that
01:09:32 18 if Ripple was very prominent in their
01:09:36 19 communications, that they would be portrayed in the
01:09:38 20 public -- where it's very hard to control messaging,
01:09:42 21 they would be portrayed as just working exclusively
01:09:45 22 on XRP Ledger.

01:09:46 23 BY MS. GUERRIER:

01:09:47 24 Q. Well, was it the reality that they were
01:09:50 25 basically exclusively working on the XRP Ledger at

01:09:53 1 the time of this email in March 2019?

01:09:56 2 MS. ZORNBERG: Object.

01:09:57 3 THE WITNESS: Not at all.

01:09:57 4 BY MS. GUERRIER:

01:09:58 5 Q. Was the majority of their work with the
01:10:00 6 Ripple XRP Ledger at the time of this email?

01:10:04 7 MS. ZORNBERG: Object to form.

01:10:07 8 THE WITNESS: I hesitate to quantify
01:10:10 9 majority versus not, but their primary product for
01:10:13 10 their gaming developers is built on Ethereum.

01:10:18 11 MS. GUERRIER: We're going to take a lunch
01:10:20 12 break and then we'll continue.

01:10:23 13 THE VIDEOGRAPHER: Okay. Off the record
01:10:24 14 at 1:10 p.m.

01:10:26 15 (Whereupon, a lunch recess was taken.)

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1 AUGUST 24, 2021

1:48 P.M.

2 P R O C E E D I N G S

3 AFTERNOON SESSION

01:48:06 4 THE VIDEOGRAPHER: This is the beginning
01:48:07 5 of file number 4. We're back on the record at
01:48:10 6 1:48 p.m.

01:48:11 7 BY MS. GUERRIER:

01:48:17 8 Q. Mr. Beard, were you aware that -- let me
01:48:26 9 rephrase that.

01:48:27 10 Do you have any knowledge of whether
01:48:30 11 developers that you worked with while SVP of Xpring
01:48:36 12 were attempting to liquidate their XRP?

01:48:44 13 MS. ZORNBERG: Object to form.

01:48:53 14 THE WITNESS: I'm sorry. To clarify, when
01:48:54 15 you say "developers" you're referring to any company
01:48:57 16 building on the Ledger?

01:48:58 17 BY MS. GUERRIER:

01:48:59 18 Q. Well, I believe that you stated that you
01:49:01 19 worked with developers.

01:49:03 20 A. Yes.

01:49:03 21 Q. So I'm focusing on those companies that
01:49:06 22 you worked with who are developers, as you defined
01:49:09 23 that earlier?

01:49:11 24 MS. ZORNBERG: Well, he defined it in two
01:49:12 25 ways, so ...

01:49:13 1 BY MS. GUERRIER:

01:49:14 2 Q. All right. The developers that were
01:49:16 3 working with the ecosystem, were you aware if any of
01:49:21 4 them were trying to liquidate the XRP that they
01:49:25 5 received from Ripple?

01:49:26 6 MS. ZORNBERG: Object to form.

01:49:30 7 THE WITNESS: So I'd say a couple of
01:49:32 8 comments. And just to clarify, the platform that we
01:49:35 9 were building, the technology platform we were
01:49:38 10 building, was an open platform of open-source
01:49:40 11 software that anyone could come and use without
01:49:44 12 having to talk to us.

01:49:45 13 So when I think about developers, you
01:49:47 14 didn't have to have a relationship, a written
01:49:49 15 relationship with Ripple in order to be a developer
01:49:52 16 on the platform.

01:49:53 17 BY MS. GUERRIER:

01:49:53 18 Q. Okay. So you're focusing on the developer
01:49:56 19 that you were --

01:49:57 20 A. The ones that --

01:49:58 21 Q. -- you partnered with at Ripple, okay. So
01:50:04 22 do you have an answer to the question?

01:50:06 23 MS. ZORNBERG: Object to form.

01:50:08 24 THE WITNESS: I don't have specific
01:50:09 25 knowledge of what they did with their XRP.

01:50:14 1 MS. GUERRIER: I'm going to hand you a
01:50:17 2 document that's been premarked EB-29. It's going to
01:50:21 3 be -- it's already been premarked, so I'll just pass
01:50:25 4 it on to everyone.

01:50:26 5 (Whereupon, Deposition Exhibit EB-29
01:50:27 6 was marked for identification.)

01:50:33 7 THE WITNESS: Okay.

01:51:09 8 BY MS. GUERRIER:

01:51:10 9 Q. I handed you an email from [REDACTED]
01:51:13 10 dated April 3rd, 2019 to [REDACTED] and others.
01:51:19 11 I believe you are copied on that email as well.

01:51:23 12 Do you see that?

01:51:24 13 A. I do.

01:51:25 14 Q. And the subject is "March 2019 [REDACTED]
01:51:29 15 develop -- DEV fund report."

01:51:33 16 Do you see that?

01:51:34 17 A. I do.

01:51:34 18 Q. Okay. So this seems to be an email that
01:51:40 19 was from [REDACTED] at [REDACTED] regarding developers
01:51:50 20 liquidating during the development phase and
01:51:52 21 [REDACTED] is responding to that email.

01:51:55 22 Do you see that?

01:51:56 23 MS. ZORNBERG: Objection. Document speaks
01:51:57 24 for itself.

01:52:02 25 THE WITNESS: Yes.

01:52:02 1 BY MS. GUERRIER:

01:52:02 2 Q. Okay. So were you aware that developers
01:52:08 3 wanted to liquidate their XRP during the development
01:52:11 4 phases?

01:52:13 5 MS. ZORNBERG: Object to form.

01:52:21 6 THE WITNESS: Yes.

01:52:22 7 BY MS. GUERRIER:

01:52:22 8 Q. Okay. So does this refer to [REDACTED] as well
01:52:28 9 liquidating during the development phase?

01:52:34 10 MS. ZORNBERG: Object to form.

01:52:34 11 THE WITNESS: I don't know.

01:52:38 12 Q. Which developers are you aware of were
01:52:40 13 liquidating XRP during the development phase?

01:52:45 14 MS. ZORNBERG: Objection.

01:52:49 15 THE WITNESS: So I'm not aware of
01:52:50 16 specifics. I assume this XRP report would probably
01:52:53 17 provide them, but I don't know the specifics.

01:52:56 18 BY MS. GUERRIER:

01:52:57 19 Q. Okay. But you were generally aware that
01:52:59 20 developers were liquidating the XRP during the
01:53:03 21 development phase?

01:53:03 22 MS. ZORNBERG: Objection to the term
01:53:05 23 "developers." [REDACTED] developers? Ripple's?

01:53:14 24 THE WITNESS: Yes. Similar to [REDACTED], I was
01:53:15 25 aware that these developers were using these funds

01:53:19 1 to build products.

01:53:21 2 BY MS. GUERRIER:

01:53:21 3 Q. Okay. Were they using the XRP to resell
01:53:26 4 in the secondary market?

01:53:28 5 A. I don't know.

01:53:29 6 Q. When he speaks of wanting to liquidate
01:53:32 7 during development phases, is it your understanding
01:53:35 8 that he's speaking about sale of the XRP?

01:53:39 9 MS. ZORNBERG: Object to form.

01:53:40 10 THE WITNESS: Yes. My understanding of
01:53:41 11 the use of the word "liquidate" here was to turn XRP
01:53:47 12 into fiat dollars.

01:53:48 13 BY MS. GUERRIER:

01:53:49 14 Q. Okay. So when you say you were aware that
01:53:51 15 the developers were attempting to liquidate, your
01:53:58 16 understanding is that they were turning their XRP
01:54:00 17 into fiat dollars?

01:54:02 18 MS. ZORNBERG: Objection.

01:54:02 19 THE WITNESS: Yes.

01:54:02 20 BY MS. GUERRIER:

01:54:10 21 Q. Okay. Did Ripple have any concern that
01:54:12 22 some of these developers were liquidating their XRP?

01:54:18 23 MS. ZORNBERG: Object to form.

01:54:22 24 THE WITNESS: What do you mean by
01:54:23 25 concerns?

01:54:24 1 BY MS. GUERRIER:

01:54:24 2 Q. Well, was it something that Ripple was
01:54:30 3 knowledgeable about?

01:54:36 4 MS. ZORNBERG: Object to form.

01:54:36 5 THE WITNESS: Yes. We were deploying XRP
01:54:38 6 to build an ecosystem of companies that are building
01:54:41 7 products on XRP Ledger. And in order to build
01:54:46 8 products, you have to hire engineers to write
01:54:49 9 software code, which costs money.

01:54:50 10 BY MS. GUERRIER:

01:54:50 11 Q. Right.

01:54:50 12 A. So we're aware that they would be using
01:54:53 13 the XRP to do that.

01:54:54 14 Q. So you -- once they received the XRP, were
01:54:56 15 you aware that they were then selling it?

01:55:01 16 A. We --

01:55:02 17 MS. ZORNBERG: Object to form.

01:55:08 18 THE WITNESS: I did not have specific
01:55:11 19 knowledge of specific sales of XRP.

01:55:16 20 BY MS. GUERRIER:

01:55:17 21 Q. Okay.

01:55:17 22 A. But I was aware, at a high level, that
01:55:19 23 they needed to liquidate it.

01:55:23 24 MS. GUERRIER: I'm going to hand you a
01:55:24 25 document premarked EB-42.

01:55:27 1 (Whereupon, Deposition Exhibit EB-42
01:55:28 2 was marked for identification.)

01:56:18 3 THE WITNESS: Yes.

01:56:19 4 BY MS. GUERRIER:

01:56:19 5 Q. Okay. So the document that I've handed
01:56:20 6 you, EB-42 is Bates stamped 0472187 to 0472188. And
01:56:32 7 it's an email from you dated September 6th, 2019,
01:56:37 8 to [REDACTED]. It copies you. And the subject is
01:56:40 9 "August 2019 DEV fund report."

01:56:46 10 Do you see that?

01:56:47 11 A. I do.

01:56:49 12 Q. And what are you responding to in this
01:56:51 13 email?

01:56:55 14 MS. ZORNBERG: Objection to form.

01:56:56 15 THE WITNESS: I'm responding to an email
01:56:57 16 from [REDACTED].

01:57:00 17 BY MS. GUERRIER:

01:57:02 18 Q. And what is [REDACTED] email about?

01:57:04 19 MS. ZORNBERG: Object to form. Document
01:57:05 20 speaks for itself.

01:57:11 21 THE WITNESS: [REDACTED] email is
01:57:12 22 questioning whether we should make payouts in USD as
01:57:18 23 opposed to XRP.

01:57:18 24 BY MS. GUERRIER:

01:57:19 25 Q. Okay. Can you please read the first

01:57:22 1 statement under [REDACTED] email of Friday,
01:57:26 2 September 6th, 2019, at 7:22 a.m., the first
01:57:30 3 bullet point?

01:57:31 4 A. The first bullet point:

01:57:32 5 "The developers are
01:57:33 6 immediately selling the XRP,
01:57:34 7 putting downward pressure on the
01:57:35 8 price."

01:57:37 9 Q. And then the second bullet point?

01:57:39 10 A. "The milestones are denominated in USD,
01:57:42 11 meaning as the price XRP goes down (as it has), more
01:57:46 12 XRP is sold, creating a cycle of downward pressure."

01:57:49 13 Q. And then what did you respond to this
01:57:51 14 email on September 6th, 2019?

01:57:54 15 A. Would you like me to read it?

01:57:56 16 Q. Yes, please.

01:57:56 17 A. "Well, one good thing is that [REDACTED] is
01:57:58 18 managing all the sales under a single restriction
01:58:01 19 amount although I don't know how close they get to
01:58:04 20 hitting it. How much do you think we'll pay out in
01:58:08 21 the next twelve months? Either way, the fiat needs
01:58:11 22 to come from somewhere."

01:58:13 23 Q. So [REDACTED] email of
01:58:15 24 September 6th, 2019, stating that the developers
01:58:20 25 are selling their XRP immediately, does that refresh

01:58:28 1 your recollection on whether some of the developers
01:58:30 2 that you worked with were selling their XRP?

01:58:35 3 MS. ZORNBERG: Objection to form.

01:58:36 4 THE WITNESS: So as I believe I stated, I
01:58:38 5 was aware that developers were selling their XRP.

01:58:43 6 BY MS. GUERRIER:

01:58:44 7 Q. So when you -- what did you mean by -- in
01:58:49 8 your response on September 6th that it's a good
01:58:52 9 thing [REDACTED] is managing all the sales under a single
01:58:55 10 restriction?

01:58:57 11 A. Excuse me. So this is referring to
01:59:00 12 restrictions in the agreement between [REDACTED] and
01:59:04 13 Ripple that restricted how much [REDACTED] and their
01:59:11 14 developers could sell of XRP.

01:59:14 15 Q. Okay. So Ripple knew that the developers
01:59:18 16 were reselling the XRP into the market. Is that an
01:59:22 17 accurate statement?

01:59:24 18 MS. ZORNBERG: Object to form.

01:59:25 19 THE WITNESS: I think, as I said, I was
01:59:27 20 aware that developers were selling XRP.

01:59:31 21 BY MS. GUERRIER:

01:59:32 22 Q. Okay. And my question is that Ripple knew
01:59:38 23 that the developers were selling the XRP into the
01:59:42 24 market.

01:59:43 25 MS. ZORNBERG: Okay.

01:59:44 1 BY MS. GUERRIER:

01:59:45 2 Q. I'm asking you if that's an accurate
01:59:47 3 statement.

01:59:47 4 MS. ZORNBERG: So objection, asked and
01:59:48 5 answered several times.

01:59:50 6 You can give your understanding.

01:59:57 7 THE WITNESS: So I guess to answer your
02:00:00 8 question specifically, I'm not sure how Ripple, the
02:00:03 9 entity, can have knowledge. I was aware that
02:00:09 10 developers were selling XRP.

02:00:13 11 BY MS. GUERRIER:

02:00:14 12 Q. Mh-hmm. And as the senior vice president
02:00:17 13 of Xpring, were you aware that there was an
02:00:23 14 agreement that allowed the developers to sell the
02:00:26 15 XRP?

02:00:27 16 MS. ZORNBERG: Objection.

02:00:30 17 THE WITNESS: I would say -- I would
02:00:32 18 characterize it differently. I would say there was
02:00:35 19 an agreement which restricted sales of XRP.

02:00:37 20 BY MS. GUERRIER:

02:00:37 21 Q. How did it -- how did the agreement
02:00:39 22 restrict the sale of XRP?

02:00:42 23 MS. ZORNBERG: Objection. Asked and
02:00:42 24 answered.

02:00:43 25 THE WITNESS: The agreement restricted the

02:00:47 1 amount that a developer could sell based upon the
02:00:51 2 liquidity in the market over a given period of time.

02:00:55 3 BY MS. GUERRIER:

02:00:56 4 Q. Now, did this restriction have to do with
02:00:58 5 the effect on the price of the XRP?

02:01:02 6 MS. ZORNBERG: Object. Objection as to
02:01:03 7 form.

02:01:05 8 THE WITNESS: I'm sorry, could you repeat
02:01:07 9 the question?

02:01:07 10 (Record read by the reporter
02:01:07 11 as follows:

02:01:14 12 "QUESTION: Now, did this
02:01:14 13 restriction have to do with the
02:01:14 14 effect on the price of the XRP?")

02:01:16 15 MS. ZORNBERG: Object as to form.

02:01:22 16 THE WITNESS: I would say the restriction
02:01:22 17 was just looking at liquidity of XRP and not wanting
02:01:26 18 to materially impact it.

02:01:30 19 BY MS. GUERRIER:

02:01:30 20 Q. Okay. What do you mean by "liquidity" in
02:01:33 21 this context?

02:01:34 22 A. Liquidity is the volume that's bought and
02:01:36 23 sold of XRP.

02:01:38 24 Q. So would a large amount of XRP on the
02:01:40 25 market affect liquidity of XRP?

02:01:43 1 MS. ZORNBERG: Object to form.

02:01:46 2 THE WITNESS: Presumably. I'm not an
02:01:47 3 expert in capital markets.

02:01:49 4 BY MS. GUERRIER:

02:01:50 5 Q. Well, when you say that you were looking
02:01:51 6 at it under liquidity term, what did you mean by
02:01:54 7 that?

02:01:55 8 MS. ZORNBERG: Object to form.

02:02:01 9 THE WITNESS: We were trying to be
02:02:02 10 conservative and good stewards of everybody working
02:02:08 11 in the XRP ecosystem in not -- while we might
02:02:13 12 provide large amounts of funding to one individual
02:02:16 13 developer, we did not want them to just go selling
02:02:20 14 it all at once. Because it could just dry up
02:02:25 15 liquidity in the marketplace.

02:02:26 16 BY MS. GUERRIER:

02:02:27 17 Q. Would it affect price if a large quantity
02:02:29 18 of XRP were placed into the market?

02:02:34 19 A. Presumably.

02:02:35 20 Q. When the developers that you worked with
02:02:36 21 were selling their XRP into the market, did that
02:02:39 22 happen? Did it affect the price of the XRP?

02:02:42 23 MS. ZORNBERG: Object to form.

02:02:43 24 THE WITNESS: I don't know.

02:02:47 25 MS. GUERRIER: Okay. This isn't marked,

02:02:48 1 but I'm going to mark this as Exhibit 10.

02:02:51 2 (Whereupon, Deposition Exhibit EB-10
02:02:52 3 was marked for identification.)

02:02:52 4 THE WITNESS: Okay.

02:03:38 5 BY MS. GUERRIER:

02:03:38 6 Q. This is an email from -- and I'm
02:03:41 7 reading -- from Breanne Madigan on July 10th, 2019,
02:03:46 8 to you, copying [REDACTED].

02:03:53 9 Did you have a chance to take a look at
02:03:54 10 that email?

02:03:55 11 A. I did.

02:03:56 12 MS. ZORNBERG: Note for the record, you're
02:03:57 13 not referring to the top email.

02:04:00 14 MS. GUERRIER: That's what I said. And
02:04:02 15 the Bates number is 0312351.

02:04:07 16 BY MS. GUERRIER:

02:04:07 17 Q. So can you tell me what Breanne Madigan is
02:04:14 18 asking you in this email.

02:04:16 19 MS. ZORNBERG: Object to form. The email
02:04:16 20 speaks for itself.

02:04:20 21 THE WITNESS: Would you like me to read
02:04:21 22 it?

02:04:21 23 BY MS. GUERRIER:

02:04:21 24 Q. Do you know -- can you give me a general
02:04:23 25 understanding of what this email is about?

02:04:26 1 MS. ZORNBERG: Objection. Lack of
02:04:27 2 foundation.

02:04:29 3 THE WITNESS: So specific to my view on
02:04:35 4 this was Breanne, who worked on the XRP markets team
02:04:39 5 and worked with market makers, was exploring the
02:04:42 6 idea of providing those market makers to Xpring
02:04:49 7 developers for them to use if they needed to buy or
02:04:54 8 sell XRP.

02:04:56 9 BY MS. GUERRIER:

02:04:56 10 Q. Okay. So why would Xpring be involved in
02:04:58 11 buying or selling XRP?

02:05:01 12 MS. ZORNBERG: Object to form.

02:05:02 13 THE WITNESS: Xpring wasn't involved in
02:05:03 14 buying or selling XRP.

02:05:09 15 BY MS. GUERRIER:

02:05:10 16 Q. The developers that Xpring worked with
02:05:11 17 were involved in buying and selling XRP?

02:05:15 18 MS. ZORNBERG: Object to form.

02:05:16 19 THE WITNESS: Yeah. As we discussed --

02:05:17 20 BY MS. GUERRIER:

02:05:18 21 Q. Okay.

02:05:18 22 A. -- previously.

02:05:19 23 Q. So is this email trying to explore the
02:05:24 24 offering programmatic liquidation as part of the XRP
02:05:28 25 to your team at Xpring?

02:05:33 1 MS. ZORNBERG: Object to form.

02:05:41 2 THE WITNESS: This email is looking to --
02:05:42 3 I believe this is what you said. This email is
02:05:44 4 looking to explore the idea of offering programmatic
02:05:47 5 liquidation as part of what we're doing with
02:05:51 6 ecosystem companies.

02:05:51 7 BY MS. GUERRIER:

02:05:52 8 Q. Okay. Do you understand what
02:05:52 9 "programmatic," that term means?

02:05:55 10 A. Generally, yes.

02:05:55 11 Q. What is your understanding of that term?

02:05:57 12 A. I would say it's using computers as
02:06:00 13 opposed to humans.

02:06:02 14 Q. So do you understand what the term
02:06:03 15 "programmatic liquidation" means in this email from
02:06:07 16 Breanne Madigan to you?

02:06:09 17 A. Generally, yes.

02:06:10 18 Q. And what does "programmatic liquidation"
02:06:14 19 mean?

02:06:15 20 A. I believe what this is looking at is
02:06:18 21 saying that as part of the way in which we work with
02:06:23 22 the companies that we're partnering with, instead of
02:06:28 23 placing contractual requirements on them that
02:06:30 24 require them to manage through a human to the terms
02:06:33 25 of a contract, we could offer them a partnership

02:06:35 1 with a company who would actually manage any
02:06:39 2 liquidations they needed.

02:06:40 3 Q. So to manage their liquidation of XRP. Is
02:06:43 4 that what you mean?

02:06:45 5 A. Yes.

02:06:45 6 Q. So some of the developers that you're
02:06:47 7 working with would be using it, the programmatic
02:06:50 8 liquidation process?

02:06:52 9 MS. ZORNBERG: Object --

02:06:52 10 THE WITNESS: That's what this is
02:06:54 11 exploring.

02:06:54 12 MS. ZORNBERG: Objection.

02:06:55 13 BY MS. GUERRIER:

02:06:56 14 Q. And then you -- did you have any response
02:07:02 15 to Ms. Madigan's suggestion about offering
02:07:05 16 programmatic liquidation to your team as part of the
02:07:09 17 XRP?

02:07:13 18 A. Not that I'm aware of.

02:07:14 19 Q. Did any -- were any steps ever taken to
02:07:16 20 offer the programmatic liquidation --

02:07:19 21 MS. ZORNBERG: Object to form.

02:07:19 22 BY MS. GUERRIER:

02:07:19 23 Q. -- to the developers?

02:07:20 24 A. Not that I'm aware of.

02:08:24 25 MS. GUERRIER: Okay. I'm going to hand

02:08:26 1 you what's been premarked EB-33.

02:08:29 2 (Whereupon, Deposition Exhibit EB-33
02:08:30 3 was marked for identification.)

02:09:48 4 THE WITNESS: Okay.

02:09:48 5 BY MS. GUERRIER:

02:11:57 6 Q. In your capacity as the senior vice
02:12:00 7 president of Xpring, did you have any interactions
02:12:05 8 with speculative users of XRP?

02:12:10 9 MS. ZORNBERG: Object to form.

02:12:13 10 THE WITNESS: When -- what do you mean
02:12:15 11 when you say a "user"?

02:12:17 12 BY MS. GUERRIER:

02:12:17 13 Q. Okay. So do you understand what the term
02:12:18 14 "speculative use" of -- means in the context of XRP?

02:12:28 15 MS. ZORNBERG: Object to form.

02:12:32 16 THE WITNESS: I believe I have an
02:12:33 17 understanding of how I think about it.

02:12:35 18 BY MS. GUERRIER:

02:12:36 19 Q. Okay. So how -- what is your definition
02:12:37 20 of "speculative use" in the context of XRP?

02:12:41 21 A. So -- yeah. I think about --

02:12:42 22 MS. ZORNBERG: Objection to "definition."
02:12:44 23 You can answer.

02:12:45 24 THE WITNESS: I think about, and
02:12:47 25 especially in regards to this email, speculative

02:12:50 1 being primary capital markets activity taking place
02:12:55 2 on exchanges.

02:12:56 3 BY MS. GUERRIER:

02:12:58 4 Q. Okay. So earlier, I believe I asked you
02:13:02 5 if you were -- if you had any title other than
02:13:07 6 senior vice president. If I didn't, I apologize.

02:13:10 7 Did you hold any title other than SVP?

02:13:14 8 A. No.

02:13:15 9 Q. Okay. So this email that I just handed
02:13:18 10 you marked EB-33, docket number -- I mean Bates
02:13:23 11 number 0235679 to 0235682 is from Brad Garlinghouse
02:13:33 12 to you, dated June 25th, 2019. And the subject is
02:13:38 13 "GateHub XRP Hack Review."

02:13:42 14 Do you see that?

02:13:43 15 A. I do.

02:13:45 16 Q. Okay. Now, have you ever been referred to
02:13:51 17 as GM of XRP?

02:13:53 18 A. No.

02:13:55 19 Q. Okay. So what do you mean in this email
02:14:03 20 in your -- when you state that:

02:14:04 21 "As part of the 'GM of XRP'
02:14:07 22 hat you asked me to wear."

02:14:10 23 Why are you referring to yourself in that
02:14:12 24 capacity?

02:14:13 25 A. Yeah. And there's a reason why this is in

02:14:16 1 quotes. This was really shorthand for the desire
02:14:24 2 inside the company for an individual -- individual
02:14:29 3 to be able to think holistically around XRP.

02:14:33 4 Q. Okay. And -- and the June 25, 2019 email,
02:14:43 5 can you explain what specifically you were trying to
02:14:50 6 resolve for XRP?

02:14:54 7 MS. ZORNBERG: Object to form and the
02:14:56 8 email speaks for itself.

02:14:59 9 THE WITNESS: I wasn't trying to resolve
02:15:01 10 anything for XRP with this.

02:15:02 11 BY MS. GUERRIER:

02:15:03 12 Q. Okay. So what is -- what exactly are you
02:15:06 13 giving information about in this email?

02:15:08 14 MS. ZORNBERG: Object to form. Document
02:15:09 15 speaks for itself.

02:15:12 16 THE WITNESS: This is an email to try and
02:15:18 17 rationalize our internal org structure to be more
02:15:24 18 effective.

02:15:25 19 BY MS. GUERRIER:

02:15:25 20 Q. Okay. So -- and based on your email,
02:15:29 21 what -- do you mean -- what is the goal for XRP in
02:15:34 22 your -- when you're wearing your hat as GM of XRP?

02:15:38 23 MS. ZORNBERG: Object to form.

02:15:42 24 THE WITNESS: Well, if I was to read this
02:15:44 25 second line here, says:

02:15:46 1 "As GM of XRP, I think our
02:15:49 2 goal is increasing the liquidity of
02:15:51 3 XRP."

02:15:51 4 BY MS. GUERRIER:

02:15:52 5 Q. Was this an accurate statement when you
02:15:53 6 made it on June 25th, 2019?

02:16:01 7 A. In that I -- accurate that I thought that?

02:16:05 8 Q. Yes.

02:16:06 9 A. Yes. With the caveat that I'm not saying
02:16:08 10 that's our only goal.

02:16:10 11 Q. Okay. But that was a goal --

02:16:13 12 A. Mh-hmm.

02:16:13 13 Q. -- was to increase the liquidity.

02:16:15 14 And did you play a role in increasing the
02:16:17 15 liquidity of XRP at Xpring?

02:16:20 16 A. Not directly.

02:16:21 17 Q. Okay. Were you giving advice as to how to
02:16:28 18 increase the liquidity of XRP in this email?

02:16:30 19 MS. ZORNBERG: Object to form.

02:16:31 20 You can answer.

02:16:32 21 THE WITNESS: This email is aiming to
02:16:37 22 change the way that our internal organization was
02:16:40 23 structured, who reported to where, to whom, with
02:16:43 24 what responsibilities, in order to be more
02:16:49 25 effective.

02:16:49 1 BY MS. GUERRIER:

02:16:50 2 Q. So why are you talking about, as a goal,
02:16:52 3 increasing the liquidity of XRP in this email?

02:16:58 4 A. Because that is big picture how we
02:17:02 5 measured utility of XRP.

02:17:05 6 Q. Okay. If you move down to the third
02:17:08 7 paragraph after the one we just discussed that says
02:17:12 8 "I think we should," can you read that statement
02:17:15 9 into the record, please?

02:17:16 10 A. "I think we should be treating all users
02:17:18 11 of XRP as developers on the Xpring platform."

02:17:22 12 Q. And can you read the next statement?

02:17:24 13 A. Yes.

02:17:25 14 "This includes both as
02:17:26 15 speculative and nonspeculative use
02:17:29 16 case and the technical and
02:17:30 17 nontechnical users."

02:17:33 18 Q. And why did you want to include the
02:17:35 19 speculative users as -- under the developer umbrella
02:17:39 20 of XRP?

02:17:41 21 MS. ZORNBERG: Object to form.

02:17:42 22 THE WITNESS: So I thought this email, if
02:17:47 23 we go down, is in reference to Brad's email on the
02:17:51 24 same date at 7:49 a.m. where he said:

02:17:53 25 "It remains confusing to me

02:17:56 1 who 'owns' the account management
02:17:58 2 of digital assets exchanges."

02:18:00 3 And this email is making an argument that
02:18:09 4 the digital asset exchanges should be -- the
02:18:12 5 relationship with them should fall on to team
02:18:15 6 Xpring.

02:18:15 7 BY MS. GUERRIER:

02:18:15 8 Q. So you would be responsible for
02:18:17 9 speculative users of XRP --

02:18:19 10 MS. ZORNBERG: Object --

02:18:19 11 BY MS. GUERRIER:

02:18:19 12 Q. -- under this umbrella?

02:18:22 13 MS. ZORNBERG: Object to form.

02:18:24 14 THE WITNESS: In this umbrella, I would be
02:18:26 15 responsible for the relationships with the digital
02:18:30 16 asset exchanges.

02:18:31 17 BY MS. GUERRIER:

02:18:31 18 Q. So does that -- refers to the speculative
02:18:33 19 and use cases of XRP?

02:18:38 20 MS. ZORNBERG: Object to form.

02:18:39 21 THE WITNESS: So for me, when I say
02:18:40 22 "speculative use case," it's around the users of the
02:18:45 23 digital asset exchanges -- the exchanges themselves
02:18:48 24 and their users.

25 / /

02:18:49 1 BY MS. GUERRIER:

02:18:49 2 Q. Okay. So can you read the sentence
02:18:50 3 after -- next -- right under the "this includes"
02:18:53 4 that starts with "the speculative use case"?

02:18:55 5 A. Sure.

02:18:56 6 "The speculative use case
02:18:58 7 can't be ignored given it's the
02:18:59 8 primary use for XRP today and it's
02:19:02 9 the source of liquidity for XRP.
02:19:03 10 If you are an exchange trading
02:19:06 11 hundreds of millions of XRP a day,
02:19:08 12 you should have a great
02:19:09 13 experience."

02:19:11 14 Q. So -- and based on this statement as of
02:19:13 15 the date of this email of June 25th, 2019, is it
02:19:17 16 accurate that the speculative use cases were the
02:19:20 17 primary use for XRP?

02:19:26 18 MS. ZORNBERG: Object to form.

02:19:26 19 THE WITNESS: I would say as of this date,
02:19:28 20 the exchanges were certainly the primary users of
02:19:31 21 XRP.

02:19:32 22 BY MS. GUERRIER:

02:19:32 23 Q. And when you say "the exchanges," does
02:19:35 24 your definition of exchanges cover speculative users
02:19:38 25 of XRP?

02:19:39 1 MS. ZORNBERG: Object. Object to form.

02:19:40 2 THE WITNESS: Yeah. So if we drop three
02:19:43 3 bullet points down, I say:

02:19:44 4 "The speculative developers
02:19:45 5 are: Exchanges, custody providers,
02:19:47 6 trading platforms, traders and
02:19:49 7 holders/whales."

02:19:52 8 BY MS. GUERRIER:

02:19:52 9 Q. Okay. So the group that you just
02:19:55 10 described are the primary users of XRP, based on
02:19:59 11 your email as of June 25th, 2019?

02:20:04 12 MS. ZORNBERG: Object to form.

02:20:06 13 You can answer.

02:20:07 14 THE WITNESS: Yes.

02:20:08 15 BY MS. GUERRIER:

02:20:08 16 Q. Okay. And then you -- in the same
02:20:10 17 sentence, you say:

02:20:10 18 "It's the source of liquidity
02:20:13 19 for XRP."

02:20:14 20 Is that an accurate statement?

02:20:17 21 MS. ZORNBERG: Object to form.

02:20:25 22 THE WITNESS: I think that an accurate
02:20:26 23 statement is that if you are looking for liquidity
02:20:28 24 for XRP, as of this date it would be on the
02:20:33 25 exchanges.

02:20:34 1 BY MS. GUERRIER:

02:20:35 2 Q. And specifically the speculative use
02:20:37 3 cases?

02:20:40 4 MS. ZORNBERG: Object to form. Misstates
02:20:41 5 prior testimony.

02:20:42 6 THE WITNESS: Which in this case, as I
02:20:43 7 very specifically defined, includes our exchanges,
02:20:47 8 custody providers, trading platforms, traders and
02:20:50 9 holders/whales.

02:20:51 10 BY MS. GUERRIER:

02:20:52 11 Q. And those are the speculative users of
02:20:53 12 XRP?

02:20:54 13 A. As I've defined in this, I'm saying the
02:20:57 14 speculative -- my words -- speculative developers
02:21:00 15 are: Exchanges, custody providers, trading
02:21:02 16 platforms, traders and holders.

02:21:05 17 Q. And are they also the speculative use case
02:21:07 18 that you refer to --

02:21:09 19 A. Oh.

02:21:09 20 Q. -- in your email?

02:21:11 21 A. Yes. That I refer to three bullet points
02:21:13 22 above?

02:21:15 23 Q. Yes.

02:21:16 24 A. Yes.

02:21:17 25 Q. Okay. Do you know Breanne Madigan?

02:21:37 1 A. I do.

02:21:38 2 Q. Did you work with Breanne Madigan?

02:21:42 3 A. We both were at Ripple at the same time.

02:21:45 4 Q. What was her role at Ripple?

02:21:49 5 A. She was part of the XRP markets team.

02:21:54 6 Q. And what capacity did you -- well, did you
02:21:55 7 work with her on any projects at Ripple?

02:21:58 8 A. Not really, no.

02:21:59 9 Q. Okay. Did she ever speak with you
02:22:07 10 regarding the use -- the speculative use cases that
02:22:09 11 we just discussed in your email of --

02:22:12 12 MS. ZORNBERG: Object to --

02:22:13 13 BY MS. GUERRIER:

02:22:13 14 Q. -- June 25th, 2019?

02:22:16 15 MS. ZORNBERG: Object to form.

02:22:21 16 THE WITNESS: Breanne and I did speak
02:22:22 17 about how do we have the best relationship with the
02:22:25 18 exchanges, the custody providers, the trading
02:22:27 19 platforms, et cetera.

02:22:29 20 BY MS. GUERRIER:

02:22:31 21 Q. Okay. And what did you specifically talk
02:22:32 22 about with Ms. Madigan regarding how you have the
02:22:36 23 best relationships with the exchanges?

02:22:42 24 A. I'm sorry, I didn't quite hear you.

02:22:44 25 Q. What did you specifically discuss with

02:22:47 1 Ms. Madigan regarding how to have the best
02:22:49 2 relationships with the exchanges?

02:22:51 3 A. I don't remember specifically the
02:22:54 4 conversations, but as I laid out here, I thought
02:22:56 5 they were an important part of the developer
02:23:01 6 ecosystem. And so I wanted to work with her to make
02:23:07 7 sure that they all had a great experience building
02:23:10 8 on XRP Ledger.

02:23:12 9 Q. Okay. And did your conversations with her
02:23:14 10 have anything to do with selling the XRP by these
02:23:21 11 speculative users of XRP?

02:23:25 12 MS. ZORNBERG: Object to form.

02:23:28 13 THE WITNESS: Sorry, are you asking if it
02:23:29 14 had to do with any of these entities selling XRP?

02:23:32 15 BY MS. GUERRIER:

02:23:33 16 Q. Yes.

02:23:38 17 A. No. Most of -- most of these entities are
02:23:41 18 involved in the capital markets, which is buying and
02:23:45 19 selling. So, I mean, in exchange there's as much
02:23:51 20 buying as there is selling. So I guess yes,
02:23:53 21 selling, but also buying.

02:23:59 22 Q. Do you recall having any conversations
02:24:02 23 with Ms. Madigan regarding managing the flow of XRP
02:24:07 24 on to the -- any exchanges?

02:24:12 25 MS. ZORNBERG: Object to form.

02:24:16 1 THE WITNESS: The flow of what XRP?

02:24:19 2 BY MS. GUERRIER:

02:24:19 3 Q. Okay. If you go back to your email of
02:24:24 4 June, the email of June 25th, 2019, you state that
02:24:28 5 the speculative use cases are the primary use for
02:24:33 6 XRP and that they're the source of liquidity for
02:24:39 7 XRP.

02:24:40 8 Did you have any discussions with
02:24:42 9 Ms. Madigan regarding this subject?

02:24:46 10 MS. ZORNBERG: Object to form in that that
02:24:47 11 wasn't a fully accurate reading of the statement
02:24:51 12 from the email.

02:24:52 13 You can answer if you understand.

02:24:54 14 THE WITNESS: So as I believe I stated
02:24:55 15 previously, I did talk with Ms. Madigan about how to
02:24:59 16 make sure we have the best relationships with
02:25:00 17 exchanges, custody providers, trading platforms and
02:25:03 18 the like.

02:25:06 19 BY MS. GUERRIER:

02:25:10 20 Q. Okay. And how were you going to establish
02:25:12 21 the best relationships with the exchanges and
02:25:16 22 trading platforms in the context of your email of
02:25:20 23 June 25th, 2019?

02:25:23 24 MS. ZORNBERG: Object to form.

02:25:29 25 THE WITNESS: I would say --

02:25:31 1 MS. ZORNBERG: Are you asking about his
02:25:33 2 communications with Ms. Madigan?

02:25:35 3 MS. GUERRIER: Yes.

02:25:36 4 THE WITNESS: Oh, with Ms. Madigan. I
02:25:38 5 don't -- I don't recall the specifics.

02:25:43 6 BY MS. GUERRIER:

02:25:43 7 Q. Okay.

02:25:43 8 A. Most of the relationships with the
02:25:45 9 exchanges generally are with Ms. Madigan, and I
02:25:49 10 think reading this email, I selfishly thought I and
02:25:54 11 my team could do a better job at it.

02:25:56 12 Q. A better job at what?

02:25:58 13 A. Managing -- having great experiences for
02:26:00 14 exchanges, custody providers, trading platforms and
02:26:02 15 the like.

02:26:04 16 Q. Why would Xpring be involved in trading
02:26:07 17 platforms and relationship with exchanges?

02:26:11 18 MS. ZORNBERG: Object to form.

02:26:12 19 THE WITNESS: So all of these companies
02:26:15 20 are technology companies employing software
02:26:20 21 developers that are use -- writing technology to use
02:26:22 22 a blockchain. And what Xpring did is we provided
02:26:28 23 tools, open source free tools, that made it easy for
02:26:31 24 you to use XRP Ledger, and we provided technical
02:26:34 25 support to help you if you had questions or concerns

02:26:37 1 about how to use the ledger.

02:26:39 2 And so if you were a developer and an
02:26:42 3 engineer at an exchange and had questions about how
02:26:45 4 to implement the XRP Ledger, team Xpring was set up
02:26:49 5 to help you answer those questions.

02:26:51 6 BY MS. GUERRIER:

02:26:51 7 Q. Including speculative users of XRP?

02:26:54 8 MS. ZORNBERG: Object to form. Misstates
02:26:55 9 prior testimony.

02:26:56 10 THE WITNESS: Including exchanges,
02:26:58 11 customer providers, trading platforms and traders.

02:27:01 12 BY MS. GUERRIER:

02:27:01 13 Q. That you define as speculative users of
02:27:03 14 XRP?

02:27:04 15 A. Here as defined in this email as
02:27:06 16 speculative developers.

02:27:07 17 Q. Speculative developers. Okay.

02:27:19 18 But also in this email, you talk about the
02:27:21 19 speculative -- and I'm referring back to the
02:27:23 20 June 25th, 2019. You talk about both the
02:27:26 21 speculative and nonspeculative use cases.

02:27:29 22 So what did you specifically mean by the
02:27:31 23 speculative use case in this email?

02:27:37 24 MS. ZORNBERG: Objection. Asked and
02:27:37 25 answered.

02:27:38 1 You can answer.

02:27:39 2 THE WITNESS: In this case, I mean the end
02:27:40 3 users of exchanges, custody providers, trading
02:27:44 4 platforms and traders.

02:27:45 5 BY MS. GUERRIER:

02:27:45 6 Q. So people buying or selling XRP?

02:27:48 7 MS. ZORNBERG: Object to form.

02:27:48 8 BY MS. GUERRIER:

02:27:48 9 Q. Is that what you're referring to in this
02:27:51 10 email?

02:27:51 11 A. Or holding or trading or providing market
02:27:54 12 making.

02:27:55 13 Q. Right.

02:27:55 14 A. These entities, these developers,
02:27:56 15 exchanges, customer providers, trading platforms and
02:27:58 16 the like, provide a wide variety of services to
02:28:02 17 their customers.

02:28:03 18 Q. Right.

02:28:03 19 So were you interested in the actual
02:28:05 20 customers, the speculative users of the XRP?

02:28:08 21 MS. ZORNBERG: Object to form.

02:28:09 22 THE WITNESS: Interested in what manner?

02:28:11 23 BY MS. GUERRIER:

02:28:12 24 Q. In your email in basically including as
02:28:16 25 developers on the Xpring platform.

02:28:20 1 MS. ZORNBERG: Object to form.

02:28:23 2 You can answer if you understand the
02:28:24 3 question.

02:28:24 4 THE WITNESS: I wanted to make sure that
02:28:26 5 our developers of which I believe the exchanges were
02:28:30 6 an important one, and their customers, had a great
02:28:37 7 experience in using XRP and XRP Ledger.

02:28:40 8 BY MS. GUERRIER:

02:28:41 9 Q. Yes, but you're using two terms in this
02:28:43 10 email it seems. You're using the speculative and
02:28:45 11 nonspeculative use case, and then you're using the
02:28:49 12 nonspeculative developers and speculative
02:28:51 13 developers.

02:28:52 14 Are you making a distinction between those
02:28:54 15 terms?

02:28:58 16 MS. ZORNBERG: Object to form.

02:29:07 17 THE WITNESS: Generally I would say no.

02:29:12 18 BY MS. GUERRIER:

02:29:13 19 Q. So a speculative use case of XRP in
02:29:16 20 your -- what is your definition of a speculative use
02:29:18 21 case of XRP?

02:29:21 22 MS. ZORNBERG: Objection. Asked and
02:29:22 23 answered many times now. I would ask counsel to
02:29:25 24 move on.

25 / /

02:29:27 1 BY MS. GUERRIER:

02:29:27 2 Q. Can you answer the question?

02:29:28 3 A. The speculative use case, as I believe
02:29:30 4 I've stated, is the end users of the exchanges,
02:29:33 5 custody providers, trading platforms and other.

02:29:35 6 Q. Okay. So when you talk about the
02:29:37 7 nonspeculative developers, are you speaking --
02:29:39 8 talking about the same people that you just defined
02:29:45 9 as the end users of the trading platform?

02:29:48 10 MS. ZORNBERG: Object to form.

02:29:52 11 THE WITNESS: So to follow where I think
02:29:54 12 you're going, is I would say the nonspeculative use
02:29:57 13 case are the users of the wallets, the users of the
02:30:00 14 payment companies, the users who are paying or
02:30:02 15 remitting directly.

02:30:03 16 BY MS. GUERRIER:

02:30:03 17 Q. Okay. So these -- are these the users
02:30:05 18 that you wanted to include under your umbrella here
02:30:07 19 in this email?

02:30:09 20 MS. ZORNBERG: Object to form. Under what
02:30:12 21 umbrella?

02:30:18 22 THE WITNESS: I'm not sure I know the
02:30:19 23 answer to that question. Sorry, I'm not sure I know
02:30:23 24 where you're trying to -- where you're --

25 / /

02:30:29 1 BY MS. GUERRIER:

02:30:30 2 Q. I'm reading your words.

02:30:31 3 A. Yes.

02:30:31 4 Q. Your email. So, you know, I'm trying to
02:30:33 5 understand what you mean by "this includes both the
02:30:37 6 speculative and nonspeculative use case and the
02:30:40 7 technical and nontechnical users." I'm trying to
02:30:43 8 understand what you mean by speculative use case in
02:30:46 9 this email versus the speculative developers that
02:30:50 10 you refer to a few lines below.

02:30:55 11 A. So this email is an attempt to change the
02:30:58 12 way that Ripple is organized, literally like people
02:31:02 13 and reporting structure and accountability so that
02:31:06 14 we can be more effective. And my goal here was
02:31:11 15 to -- where Xpring traditionally had not worked with
02:31:19 16 the exchanges, custody providers, trading platforms
02:31:22 17 and the like, I thought they were an important
02:31:27 18 constituent of the XRP ecosystem and I wanted to
02:31:32 19 make sure -- or I thought that if those
02:31:35 20 responsibilities were given to team Xpring, which I
02:31:39 21 had a lot of confidence and faith in, that we could
02:31:43 22 do a good job at making them have a great experience
02:31:47 23 with XRP and with XRP Ledger.

02:31:50 24 Q. And that included the speculative users --
02:31:53 25 the end -- the people at the end of the transaction?

02:31:57 1 MS. ZORNBERG: Object to form.

02:32:04 2 THE WITNESS: That definitely included the
02:32:06 3 customers of our developers.

02:32:07 4 BY MS. GUERRIER:

02:32:07 5 Q. Okay.

02:32:07 6 A. If the customers of the developers aren't
02:32:09 7 having a good experience, then the developers aren't
02:32:12 8 having a good experience, then it's not going to
02:32:14 9 work.

02:32:15 10 Q. Okay. So just to clarify, are you
02:32:16 11 defining the customers of the developers as
02:32:19 12 speculative users?

02:32:21 13 MS. ZORNBERG: Object to form.

02:32:23 14 THE WITNESS: I don't think I used the
02:32:24 15 word "speculative users" in this email.

02:32:40 16 BY MS. GUERRIER:

02:32:40 17 Q. I think you used the word "speculative"
02:32:42 18 and "nonspeculative use case."

02:32:44 19 A. Correct.

02:32:45 20 Q. Do you make -- what is the distinction
02:32:47 21 between speculative use case and speculative users?

02:32:53 22 MS. ZORNBERG: Object to form.

02:32:56 23 THE WITNESS: The speculative use case are
02:32:58 24 the activities provided on exchanges, customer
02:33:02 25 providers, trading platforms and the like.

02:33:11 1 BY MS. GUERRIER:

02:33:12 2 Q. I'm going to hand you a document premarked
02:33:49 3 EB-34.

02:33:58 4 MS. ZORNBERG: Thank you.

02:34:49 5 MS. DEARBORN: Counsel, can I ask a
02:34:50 6 clarifying question? Is this is the same document
02:34:53 7 as EB-33?

02:34:55 8 MS. GUERRIER: Yeah. That looks like the
02:34:56 9 same document. I guess I'm going to give you
02:34:58 10 Exhibit 35. Sorry about it.

02:35:00 11 MS. DEARBORN: The good news is it's much
02:35:02 12 easier to read.

02:35:15 13 MS. GUERRIER: There you go.

02:35:17 14 (Whereupon, Deposition Exhibit EB-35
02:35:17 15 was marked for identification.)

02:35:21 16 THE WITNESS: Okay.

02:36:39 17 BY MS. GUERRIER:

02:36:40 18 Q. Did you have a chance to take a look at
02:36:42 19 EB-35?

02:36:43 20 A. I did.

02:36:44 21 Q. That's the document marked 000144.

02:36:48 22 So this is an email dated July 5th from
02:36:51 23 you to [REDACTED] and copying [REDACTED]. And
02:36:58 24 the subject is, "Hey."

02:37:00 25 Who is [REDACTED]?

02:37:04 1 A. At the time of this email, [REDACTED]
02:37:07 2 was, I believe the CEO of Binance.US.
02:37:10 3 Q. What is Binance.US?
02:37:12 4 A. Binance.US is a digital asset exchange.
02:37:15 5 Q. And who is [REDACTED]?
02:37:18 6 A. [REDACTED] was my executive assistant.
02:37:21 7 Q. Okay. So what -- in this email, you're --
02:37:26 8 are you responding to [REDACTED] or are you writing
02:37:32 9 to [REDACTED]?
02:37:36 10 MS. ZORNBERG: Object to form and the
02:37:37 11 exhibit contains a series of emails.
02:37:42 12 BY MS. GUERRIER:
02:37:43 13 Q. We're talking about the Friday, July 5th
02:37:45 14 email of 2019 that I just read into the record.
02:37:53 15 A. So this email is providing [REDACTED] with
02:37:59 16 some context around what we've been thinking about
02:38:05 17 at Xpring because we had invited [REDACTED] to come
02:38:09 18 speak at our team off-site.
02:38:12 19 Q. Okay. So under the topic "Some" -- or
02:38:13 20 this heading "Some context," can you please read
02:38:16 21 into the record the three points that you make under
02:38:22 22 some context?
02:38:23 23 A. Yes.
02:38:25 24 "Some context: Xpring is
02:38:27 25 focusing on XRP adoption,

02:38:28 1 liquidity, transaction volume.
02:38:33 2 We're building a developer platform
02:38:34 3 to provider tools, programs and
02:38:37 4 support to drive this. The primary
02:38:39 5 use case for XRP today is
02:38:40 6 speculative and the exchanges
02:38:42 7 (along with wallets, traders,
02:38:45 8 custody providers) are the main
02:38:46 9 enabler of this use case."

02:38:49 10 Q. So the statements you just read, as of
02:38:51 11 July 5th, 2019, are these an accurate depiction of
02:38:58 12 what Xpring was focusing on at that time?

02:39:04 13 MS. ZORNBERG: Object to form.

02:39:08 14 THE WITNESS: I would say very much in
02:39:09 15 shorthand written to someone outside of the company,
02:39:11 16 I would say it's quite accurate to say we're focused
02:39:14 17 on XRP, adoption, liquidity and transaction volume.

02:39:17 18 BY MS. GUERRIER:

02:39:18 19 Q. And was it accurate that you were building
02:39:19 20 a developer platform to provide tools, programs and
02:39:24 21 support to drive the adoption, liquidity and
02:39:27 22 transaction volume of XRP?

02:39:33 23 A. Yeah, I think it's important to think of
02:39:36 24 the receiver of this who is not an exchange.

02:39:39 25 Q. Okay. If you could just answer the

02:39:40 1 question.

02:39:40 2 MS. ZORNBERG: Okay.

02:39:40 3 BY MS. GUERRIER:

02:39:40 4 Q. Was this accurate that you would build --
02:39:40 5 Xpring was building a developer platform to
02:39:43 6 provide -- I believe you meant "provide" -- tools,
02:39:46 7 programs and support to drive the adoption,
02:39:49 8 liquidity and transaction volume of XRP?

02:39:52 9 MS. ZORNBERG: Okay. Objection to form.
02:39:54 10 And, please, when you ask a question, please allow
02:39:58 11 the witness to answer before you interrupt to
02:40:01 12 reframe your question.

02:40:02 13 MS. GUERRIER: And I'd like to apply that
02:40:04 14 to you as well for me.

02:40:07 15 BY MS. GUERRIER:

02:40:07 16 Q. If you could please answer the question.

02:40:10 17 A. So I would say it is accurate that when I
02:40:15 18 want to explain to the leader of a digital asset
02:40:20 19 exchange what we're building, this is how I would
02:40:24 20 portray it.

02:40:24 21 Q. So it is an accurate statement as of
02:40:26 22 June -- July 5th, 2019?

02:40:29 23 MS. ZORNBERG: Objection. And you're --
02:40:31 24 the witness just gave an answer. Now you're trying
02:40:34 25 to recharacterize it.

02:40:35 1 BY MS. GUERRIER:

02:40:35 2 Q. If you could answer the question, please.

02:40:37 3 A. This is how I would explain what we're
02:40:41 4 building at Xpring to the leader of a digital asset
02:40:44 5 exchange.

02:40:46 6 Q. Okay. And my question is, was this an
02:40:48 7 accurate statement as of July 5th, 2019?

02:40:51 8 MS. ZORNBERG: Object to form. Same
02:40:52 9 objection.

02:40:56 10 You should keep answering however is
02:40:59 11 accurate to you.

02:40:59 12 THE WITNESS: This is how I would explain
02:41:01 13 this to a leader of a digital asset exchange.

02:41:04 14 BY MS. GUERRIER:

02:41:04 15 Q. Was this an accurate statement or not?

02:41:06 16 MS. ZORNBERG: Objection. Asked and
02:41:07 17 answered.

02:41:09 18 THE WITNESS: Can you explain to me what
02:41:10 19 you mean by "accurate"?

02:41:11 20 BY MS. GUERRIER:

02:41:12 21 Q. Is it true that you were building a
02:41:13 22 developer platform to provide tools, programs and
02:41:16 23 support to drive the adoption, liquidity and
02:41:19 24 transaction volume of XRP as of July 5th, 2019?

02:41:27 25 A. Amongst other things, yes.

02:41:28 1 Q. Okay. So the next statement:

02:41:32 2 "The primary use case for XRP
02:41:34 3 today is speculative and the
02:41:38 4 exchanges (along with wallets,
02:41:39 5 traders, custody providers) are the
02:41:42 6 main enabler of this use case."

02:41:44 7 Is this an accurate statement as of July
02:41:47 8 5th, 2019?

02:41:51 9 A. I don't know.

02:41:52 10 Q. Okay. So you wrote this statement. What
02:41:54 11 did you mean by -- by the statement that you wrote
02:41:56 12 in this email?

02:42:00 13 A. By this statement, I meant [REDACTED]
02:42:04 14 [REDACTED], you should work with us more closely.

02:42:07 15 Q. What do you mean by the primary use case
02:42:10 16 for XRP today is speculative, in this email of
02:42:14 17 July 5th, 2019?

02:42:16 18 A. I meant to say the exchanges are an
02:42:20 19 important part of what we're building.

02:42:24 20 Q. So what does the primary use case in this
02:42:27 21 statement mean?

02:42:35 22 A. Sorry, can you clarify your question?

02:42:40 23 Q. What do you -- and this is your email.

02:42:41 24 A. Yes.

02:42:41 25 Q. These are your words. So what does

02:42:43 1 "primary use case for XRP today" mean in this email
02:42:47 2 of July 5th, 2019?

02:42:51 3 A. This bullet point is meant to explain to
02:42:54 4 the leader of a digital asset exchange that they're
02:42:58 5 really important to us.

02:42:59 6 Q. Okay. So that's not my question.

02:43:01 7 MS. ZORNBERG: Okay.

02:43:01 8 BY MS. GUERRIER:

02:43:01 9 Q. What is the definition of "primary use
02:43:03 10 case" in your email of July 5th, 2019?

02:43:08 11 MS. ZORNBERG: I'm going to note for the
02:43:09 12 record my objection and that this is at least the
02:43:11 13 sixth time that SEC counsel, when she doesn't like
02:43:14 14 the answer given, says, "that wasn't my question."
02:43:18 15 The witness is doing his best to answer the
02:43:21 16 questions. If you don't -- you can put another
02:43:24 17 question.

02:43:25 18 MS. GUERRIER: Okay. Thank you.

02:43:27 19 Q. Can you answer the question?

02:43:27 20 A. "Primary" would mean first. "Use" I would
02:43:32 21 think of like how you use something or "use case"
02:43:35 22 meaning an instance where one uses things.

02:43:40 23 Q. Okay. So based on this email, the
02:43:42 24 speculative use case is the primary use case for
02:43:45 25 XRP. Is that what you mean in this email?

02:43:48 1 MS. ZORNBERG: Object to form. Asked and
02:43:50 2 answered.

02:43:50 3 THE WITNESS: As I would explain to the
02:43:51 4 leader of a digital asset exchange, yes.

02:43:55 5 BY MS. GUERRIER:

02:43:55 6 Q. Okay. And your next statement:

02:43:57 7 "And the exchanges are the
02:44:01 8 main enabler of this use case."

02:44:03 9 What did you mean by that?

02:44:09 10 A. I meant that, as I think we answered a few
02:44:12 11 times in the last email, the -- as I call
02:44:16 12 speculative, which is capital markets, market
02:44:20 13 making, custody providing, digital asset exchanges,
02:44:24 14 are a very important part of the XRP ecosystem.

02:44:33 15 Q. So when you say that the exchanges are the
02:44:39 16 main enabler of this use case, what do you mean by
02:44:43 17 the "main enabler"?

02:44:46 18 MS. ZORNBERG: Objection. Asked and
02:44:47 19 answered.

02:44:48 20 THE WITNESS: I meant the primary place
02:44:50 21 where people go to make markets, to buy, to sell, to
02:44:55 22 get custody, to earn yield, all the activities that
02:45:00 23 take place within capital markets in the
02:45:02 24 cryptocurrency world. The main place where that
02:45:05 25 activity is enabled is on the digital asset

02:45:09 1 exchanges.

02:45:09 2 BY MS. GUERRIER:

02:45:09 3 Q. Okay. So your next point, if I could call
02:45:12 4 it that, if you could please read it into the
02:45:15 5 record.

02:45:16 6 A. "Ultimately, we want to double the daily
02:45:19 7 trading volume of XRP, which I think the exchanges
02:45:22 8 would like as well."

02:45:26 9 Q. Okay. So is this an accurate statement as
02:45:29 10 of July 5th, 2019?

02:45:36 11 A. This I would say is, again, me trying to
02:45:40 12 get the leader of a digital asset exchange
02:45:43 13 interested in what we're doing.

02:45:45 14 Q. So is what you're doing trying to double
02:45:47 15 the daily trading volume of XRP?

02:45:51 16 A. We were trying to drive the utility of
02:45:53 17 XRP, and one of the primary ways in which we measure
02:45:57 18 that was through liquidity.

02:45:59 19 Q. Okay. There's no utility in this email,
02:46:01 20 correct? There's no reference to utility in your
02:46:04 21 email. Is that an accurate statement?

02:46:10 22 A. Liquidity is the life blood of utility.

02:46:14 23 Q. Okay. You make no reference to utility in
02:46:15 24 this email, correct?

02:46:18 25 A. I do. I say you adoption, liquidity.

02:46:20 1 That's all utility.

02:46:22 2 Q. Okay. You did not provide the word
02:46:24 3 "utility" in this email that you just read --

02:46:28 4 A. Correct.

02:46:28 5 Q. -- is that correct?

02:46:29 6 A. That is correct.

02:46:29 7 Q. Okay. So when you say you want to double
02:46:32 8 the trading volume of XRP, can you explain what you
02:46:35 9 mean by wanting to double the trading volume of XRP?

02:46:39 10 MS. ZORNBERG: Object to form. Asked and
02:46:40 11 answered.

02:46:42 12 You can answer again.

02:46:50 13 THE WITNESS: So are you questioning what
02:46:51 14 these words mean? Is that what you're asking me?

02:46:54 15 BY MS. GUERRIER:

02:46:54 16 Q. I want to know what you mean by "we want
02:46:56 17 to double the daily trading volume of XRP"?

02:46:59 18 A. Yes. So what I meant is that you, in this
02:47:03 19 case [REDACTED], the leader of a digital asset
02:47:07 20 exchange, should want to work with us to help us
02:47:10 21 build up the XRP ecosystem.

02:47:11 22 Q. So that's not what you wrote in this
02:47:13 23 email.

02:47:14 24 A. You didn't ask what I wrote. You asked
02:47:16 25 what I meant.

02:47:16 1 Q. Okay. So what you wrote was you want to
02:47:18 2 double -- I asked you what you meant by "we want to
02:47:21 3 double the daily trading volume of XRP."

02:47:24 4 Did you want to actually, in fact, double
02:47:27 5 the trading volume of XRP?

02:47:29 6 A. No. This is shorthand for, like, come
02:47:32 7 work with us. Like, this seems to align with what
02:47:35 8 your goals are. But, like, we never had a goal of
02:47:38 9 doubling the daily trading volume.

02:47:39 10 Q. So why would you include that statement in
02:47:42 11 an email?

02:47:44 12 A. This was me trying to tell the leader of a
02:47:47 13 digital asset exchange that they should come, want
02:47:51 14 to work with us.

02:47:52 15 Q. Okay. So were you involved at all in
02:47:55 16 trading XRP at Xpring?

02:47:58 17 A. Trading XRP?

02:47:59 18 Q. Yeah.

02:48:00 19 A. No. Never.

02:48:00 20 Q. Okay. So were you -- and was Xpring
02:48:04 21 helping with the trading -- with the volume of XRP
02:48:08 22 with trading?

02:48:11 23 MS. ZORNBERG: Object to form.

02:48:12 24 THE WITNESS: What do you mean by
02:48:12 25 "helping"?

02:48:14 1 BY MS. GUERRIER:

02:48:15 2 Q. Well, I'm trying to understand what you
02:48:16 3 mean by, you know, the daily trading volume of XRP.

02:48:22 4 MS. ZORNBERG: Okay. Object to form.

02:48:24 5 Asked and answered. And this is bordering on
02:48:27 6 badgering the witness. I'll allow it.

02:48:31 7 THE WITNESS: So at Xpring, our focus is
02:48:34 8 on driving the utility of XRP and XRP Ledger by
02:48:38 9 building an ecosystem of companies that are using
02:48:41 10 the Ledger. We did that by writing software,
02:48:45 11 providing tools, things like APIs and STKs that made
02:48:50 12 it easier to use the XRP Ledger. One of the more
02:48:54 13 important potential developers on that platform is a
02:48:58 14 digital asset exchange.

02:49:00 15 If we make tools, pieces of open-source
02:49:05 16 software, that allow an exchange to double their
02:49:07 17 trading -- daily trading volume, that's really good
02:49:10 18 for an exchange. That's how they make their money.
02:49:13 19 This, to me, she should read this as, yes, I make a
02:49:18 20 lot of money when I double my daily trading volume.

02:49:21 21 And so if I can provide you with tools, if
02:49:23 22 I can give you an STK or I can provide you with an
02:49:28 23 API that allows your technology to work so much
02:49:30 24 better that you could do this, you should want to
02:49:33 25 come talk to me.

02:49:34 1 BY MS. GUERRIER:

02:49:35 2 Q. So your testimony is this was not about
02:49:36 3 doubling the volume of XRP on the exchanges. Is
02:49:39 4 that what you're saying right now?

02:49:41 5 MS. ZORNBERG: Object to form and
02:49:43 6 misstates the testimony.

02:49:44 7 THE WITNESS: This is me trying to say
02:49:46 8 that we are aligned in our incentives of trying to
02:49:52 9 drive liquidity and trying to drive utility, and we
02:49:56 10 have teams of people looking to help you accomplish
02:49:58 11 that.

02:50:01 12 BY MS. GUERRIER:

02:50:01 13 Q. Okay. If you go down to the sentence
02:50:03 14 after "we'd love to hear from your thoughts," your
02:50:06 15 first statement, can you read that, please, into the
02:50:08 16 record.

02:50:09 17 A. Sure. This is on the "we'd love to hear
02:50:13 18 from your thoughts on"?

02:50:14 19 Q. Yes.

02:50:14 20 A. "How exchanges think about XRP and
02:50:17 21 increasing trading volume."

02:50:19 22 Q. Okay. If you stop there, please.

02:50:21 23 A. Yeah.

02:50:22 24 Q. So why did you want to know how exchanges
02:50:25 25 think about XRP and increasing trading volume?

02:50:33 1 A. So we're trying to build a platform and
02:50:35 2 technologies that work with entities like digital
02:50:38 3 asset exchanges. Their primary business is trading
02:50:42 4 volume. And so the number one business of sales is
02:50:48 5 understand your customer.

02:50:51 6 And so I want to understand what that --
02:50:56 7 what those developers -- how they're thinking about
02:50:59 8 making their business grow. 'Cause if I can provide
02:51:03 9 them with tools, if I can provide them with STKs in
02:51:07 10 software that helps their business grow, it's very
02:51:09 11 good for them.

02:51:11 12 Q. Weren't you concerned here about
02:51:13 13 increasing the trading volume for XRP for Ripple?

02:51:18 14 MS. ZORNBERG: Object to form and
02:51:20 15 misstates the testimony.

02:51:27 16 THE WITNESS: No. Why would I be
02:51:28 17 concerned about increasing trading volume for
02:51:31 18 Ripple? I'm not sure I understand that.

02:51:32 19 BY MS. GUERRIER:

02:51:33 20 Q. Well, your next sentence, if you want to
02:51:35 21 read it into the record.

02:51:37 22 A. Yes.

02:51:38 23 "What can we be doing and
02:51:39 24 building to help increase trading
02:51:41 25 volume."

02:51:42 1 Q. Okay. So what do you mean by what could
02:51:44 2 you -- could be doing to help increase trading
02:51:46 3 volume?

02:51:49 4 A. So this is about the activities that we're
02:51:51 5 taking on Xpring, which is building an ecosystem,
02:51:55 6 investing in companies, partnering with companies,
02:51:58 7 writing code, releasing open-source software that
02:52:01 8 enables XRP and, arguably, we worked across all
02:52:06 9 other currencies, to help use cryptocurrency to
02:52:11 10 achieve their objectives.

02:52:12 11 Q. That's not -- sorry.

02:52:13 12 A. So that was what I was doing and what I
02:52:15 13 was building. And I want to understand how the
02:52:17 14 things that I was doing and building or other ways
02:52:19 15 in which I could build or do that would help achieve
02:52:23 16 this individual who I'm writing this email to, help
02:52:25 17 them achieve their business objectives.

02:52:28 18 Q. So why are you focusing on the XRP trading
02:52:31 19 volume as opposed to the example that you just gave
02:52:36 20 here about building the ecosystem in your email?

02:52:41 21 MS. ZORNBERG: Objection. Misreads the
02:52:43 22 document. Misstates prior testimony.

02:52:47 23 THE WITNESS: This is an email to the CEO
02:52:48 24 of a digital asset exchange.

25 / /

02:52:50 1 BY MS. GUERRIER:

02:52:50 2 Q. I understand.

02:52:51 3 A. Digital asset exchanges make money based
02:52:54 4 on trading volume.

02:52:56 5 Q. Okay. But -- sorry.

02:53:00 6 A. So I want to understand how we can help
02:53:03 7 their business grow.

02:53:05 8 Q. Well, why would you care about how their
02:53:07 9 business grow if you're on the other side working
02:53:10 10 for Ripple?

02:53:12 11 MS. ZORNBERG: Object to form.

02:53:13 12 THE WITNESS: Sorry, we were partners with
02:53:15 13 exchanges. We were not competitive with them.

02:53:18 14 BY MS. GUERRIER:

02:53:19 15 Q. But why -- wouldn't you be interested in
02:53:21 16 what Ripple can do on the exchanges for its XRP as
02:53:25 17 opposed to what the exchanges were doing?

02:53:29 18 MS. ZORNBERG: Object to form.

02:53:31 19 THE WITNESS: First of all, I had nothing
02:53:32 20 to do with what Ripple did with their XRP. Second
02:53:35 21 of all, Ripple's XRP was a drop in the bucket
02:53:41 22 compared to what was going on on digital asset
02:53:44 23 exchanges. There is way more volume on an exchange
02:53:47 24 than anything that Ripple was doing. They're not
02:53:50 25 making money off of Ripple selling XRP.

02:53:53 1 BY MS. GUERRIER:

02:53:54 2 Q. But then you refer to doubling the daily
02:53:56 3 trading volume of XRP in your email.

02:54:01 4 MS. ZORNBERG: Object to form. There's a
02:54:03 5 continual misstating of the document, the prior
02:54:06 6 testimony. I really do feel -- 30 minutes on this
02:54:09 7 that I feel counsel is badgering the witness right
02:54:14 8 now.

02:54:15 9 THE WITNESS: I'll answer one clarifying
02:54:17 10 thing, that this daily trading volume of XRP, you
02:54:22 11 should not read the word "Ripple" before that. That
02:54:24 12 is not Ripple's XRP. That is XRP traded on the
02:54:29 13 dozens of digital asset exchanges all over the
02:54:32 14 planet. This has nothing to do with Ripple's XRP.
02:54:34 15 This is just XRP liquidity in the marketplace.

02:54:38 16 As we spoke, there are millions of dollars
02:54:42 17 of cryptocurrencies being traded that has nothing to
02:54:45 18 do with Ripple or any other corporation.

02:54:48 19 BY MS. GUERRIER:

02:54:48 20 Q. So in the email, why do you use the word
02:54:50 21 "we want" -- the words "we want to double the daily
02:54:53 22 trading volume"? So why do you want to double the
02:54:57 23 daily trading volume of XRP if you're talking about
02:54:59 24 XRP in general?

02:55:01 25 A. So --

02:55:02 1 MS. ZORNBERG: Objection. Object to form.

02:55:03 2 THE WITNESS: -- we, in this case, is
02:55:05 3 definitely team Xpring trying to build an ecosystem
02:55:08 4 of companies that are using XRP. And we measure the
02:55:14 5 utility. One of the ways which we measure the
02:55:16 6 utility was through liquidity. General liquidity.
02:55:22 7 Not our liquidity. We never bought and sold any XRP
02:55:25 8 through Xpring.

02:55:26 9 BY MS. GUERRIER:

02:55:28 10 Q. But your developers, did they buy -- did
02:55:30 11 they sell their XRP through Xpring?

02:55:33 12 A. I think we covered this. Should we go
02:55:35 13 back to it?

02:55:36 14 MS. ZORNBERG: I would like to take a
02:55:38 15 break.

02:55:38 16 MS. GUERRIER: Once he answers the
02:55:39 17 question.

02:55:40 18 MS. ZORNBERG: I'm sorry, what's the
02:55:41 19 question, I didn't hear the question.

02:55:42 20 (Record read by the reporter
02:55:42 21 as follows:

02:55:55 22 "QUESTION: But your
02:55:55 23 developers, did they buy -- did
02:55:55 24 they sell their XRP through
02:55:55 25 Xpring?")

02:55:56 1 MS. ZORNBERG: Yeah.

02:55:57 2 THE WITNESS: Sorry.

02:55:58 3 MS. ZORNBERG: Object to form. Asked and
02:55:58 4 answered.

02:56:01 5 THE WITNESS: I actually think this was a
02:56:02 6 different question. When you say "their XRP," what
02:56:04 7 XRP are you referring to?

02:56:05 8 BY MS. GUERRIER:

02:56:06 9 Q. The developers that received the XRP from
02:56:08 10 Ripple?

02:56:09 11 A. So you're talking about XRP received from
02:56:12 12 Xpring?

02:56:13 13 Q. Yes.

02:56:14 14 A. So I don't have a specific knowledge -- I
02:56:15 15 believe I stated this -- as to what they did with
02:56:19 16 their XRP. I was aware that they were liquidating
02:56:21 17 some of their XRP.

02:56:23 18 MS. ZORNBERG: Okay. Can we take a break?

02:56:24 19 MS. GUERRIER: Sure.

02:56:25 20 THE VIDEOGRAPHER: Okay. Off the record
02:56:26 21 at 2:56 p.m.

02:56:28 22 (Whereupon, a recess was taken.)

03:10:40 23 THE VIDEOGRAPHER: This is the beginning
03:10:41 24 of file number 5. We're back on the record at
03:10:43 25 3:10 p.m.

03:10:46 1 MS. GUERRIER: I'm handing you an unmarked
03:10:48 2 exhibit. I think it's number 9. 9.

03:10:57 3 (Whereupon, Deposition Exhibit EB-9
03:10:57 4 was marked for identification.)

03:10:58 5 BY MS. GUERRIER:

03:11:00 6 Q. This is document 1071027.

03:11:36 7 A. Okay.

03:11:37 8 Q. Have you had a chance to review the
03:11:38 9 document?

03:11:40 10 A. I have.

03:11:41 11 Q. Do you recognize the document marked
03:11:42 12 1071027?

03:11:45 13 A. Yes.

03:11:46 14 Q. What is this document?

03:11:47 15 A. It looks like notes from my notebook.

03:11:50 16 Q. Okay. And can you tell me what your notes
03:11:53 17 are about?

03:11:55 18 MS. ZORNBERG: Object to form.

03:11:58 19 THE WITNESS: The left looks like a list
03:11:59 20 of people of whom I'm not sure I know all the people
03:12:06 21 on it. But [REDACTED] probably refers to [REDACTED],
03:12:13 22 [REDACTED] was on my team. I'm not 100 percent sure who
03:12:16 23 [REDACTED] is. And then the right looks like some notes
03:12:22 24 around stewardship.

25 / /

03:12:24 1 BY MS. GUERRIER:

03:12:25 2 Q. Who is [REDACTED] -- I'm sorry, what is the
03:12:26 3 first name on the left hand?

03:12:28 4 A. I -- [REDACTED], I believe that says.
03:12:31 5 Sorry, my handwriting is atrocious.

03:12:34 6 Q. And who is [REDACTED]?

03:12:36 7 A. I don't know. I don't remember.

03:12:39 8 Q. Okay. So under "Stewardship" -- what is
03:12:41 9 the purpose of this list you have under
03:12:47 10 "Stewardship"?

03:12:49 11 MS. ZORNBERG: Object to form.

03:12:49 12 THE WITNESS: I don't know specifically.

03:12:57 13 BY MS. GUERRIER:

03:12:58 14 Q. Okay. Do you know what you meant by
03:13:00 15 "volatility hedging"? Did I read that correctly, on
03:13:04 16 the right-hand side?

03:13:05 17 A. Looks like hedging.

03:13:08 18 MS. ZORNBERG: Objection. Lack of
03:13:09 19 foundation.

03:13:13 20 THE WITNESS: I mean, I would think --
03:13:14 21 generally, I think this goes back to an email you
03:13:17 22 showed me earlier, from before I was working at
03:13:22 23 Ripple, speaking around stewardship of XRP.

03:13:25 24 BY MS. GUERRIER:

03:13:26 25 Q. Do you recall when you wrote this

03:13:28 1 document?

03:13:29 2 A. I do not.

03:13:30 3 Q. Okay. So from the line on the right hand
03:13:37 4 under "Stewardship," the statement before the last,
03:13:40 5 can you read that into the record?

03:13:42 6 A. "Ripple not acting against speculators."

03:13:47 7 Q. What do you mean by that statement?

03:13:50 8 MS. ZORNBERG: Objection. Lack of
03:13:50 9 foundation.

03:13:54 10 THE WITNESS: I am not sure.

03:13:56 11 BY MS. GUERRIER:

03:13:58 12 Q. Did you have a reason to believe that
03:13:59 13 Ripple was not acting against speculators?

03:14:05 14 MS. ZORNBERG: Object to form.

03:14:09 15 THE WITNESS: I'm not -- sorry. Your
03:14:16 16 question is did I have reason to believe that Ripple
03:14:19 17 was not acting against speculators.

03:14:26 18 I don't know. Depends on how -- I
03:14:30 19 understand the words in your question but I'm
03:14:33 20 struggling with the negative, positive, did I have a
03:14:36 21 reason to believe that Ripple was not acting against
03:14:39 22 speculators.

03:14:40 23 BY MS. GUERRIER:

03:14:41 24 Q. Okay. Why did you include this statement,
03:14:42 25 Ripple was not acting against speculators, in this

03:14:46 1 document?

03:14:47 2 MS. ZORNBERG: Objection. Lack of
03:14:48 3 foundation.

03:14:58 4 THE WITNESS: I don't know.

03:15:01 5 BY MS. GUERRIER:

03:15:02 6 Q. And what do you mean here by "stewardship"
03:15:04 7 on this document?

03:15:07 8 MS. ZORNBERG: Objection. Lack of
03:15:08 9 foundation.

03:15:14 10 THE WITNESS: I don't know specifically.
03:15:16 11 As I said, I think this is probably around XRP
03:15:18 12 stewardship.

03:15:20 13 BY MS. GUERRIER:

03:15:20 14 Q. Okay. Were you involved with marketing at
03:15:34 15 Xpring?

03:15:35 16 MS. ZORNBERG: Object to form.

03:15:42 17 THE WITNESS: Yes, to some extent.

03:15:44 18 BY MS. GUERRIER:

03:15:44 19 Q. What was your involvement with marketing
03:15:47 20 when you worked for Xpring?

03:15:50 21 A. So my involvement with marketing -- and
03:15:55 22 this may be the same thing, depending on how you
03:15:59 23 think about a company is -- we've discussed variety
03:16:01 24 of press releases or outreach to doing PR. So to
03:16:07 25 the extent that activities we were taking on Xpring

03:16:10 1 were public, I would, at times, work with the
03:16:15 2 marketing team to stay in sync with them.

03:16:19 3 Q. Okay. So did you review press releases
03:16:22 4 that were prepared by the marketing team?

03:16:27 5 A. For team Xpring, yes. Not for the broader
03:16:29 6 Ripple.

03:16:33 7 Q. Okay. Were the -- were Ripple components
03:16:36 8 included in any broad Xpring marketing -- Xpring
03:16:39 9 meaning Ripple marketing?

03:16:41 10 MS. ZORNBERG: Object to form.

03:16:42 11 MS. GUERRIER: I'll rephrase the question.

03:16:44 12 BY MS. GUERRIER:

03:16:46 13 Q. Were Ripple-related issues included in any
03:16:52 14 Xpring marketing?

03:16:55 15 MS. ZORNBERG: Object to form.

03:16:56 16 THE WITNESS: So we didn't shy away from
03:16:59 17 the fact that Xpring was part -- was an initiative
03:17:02 18 taking part within Ripple. So in many ways, the
03:17:06 19 short answer is yes, 'cause they were one and the
03:17:08 20 same.

03:17:09 21 BY MS. GUERRIER:

03:17:09 22 Q. Okay. Did you -- did you prepare any
03:17:14 23 marketing reports for Xpring?

03:17:19 24 A. I don't think so.

03:17:23 25 Q. Okay. Do you know if Ripple prepared any

03:17:25 1 marketing reports when you worked there?

03:17:29 2 MS. ZORNBERG: Object to form.

03:17:31 3 THE WITNESS: Can you be more -- what do
03:17:32 4 you mean by "marketing reports"?

03:17:34 5 BY MS. GUERRIER:

03:17:35 6 Q. Well, did Ripple prepare any sort of
03:17:37 7 documents that involved marketing reports?

03:17:41 8 MS. ZORNBERG: Object to form.

03:17:42 9 THE WITNESS: So Ripple did a lot of
03:17:44 10 marketing communication. We have websites. I'm
03:17:48 11 sure we had written materials.

03:17:50 12 BY MS. GUERRIER:

03:17:51 13 Q. Were there any materials regarding sales
03:17:53 14 of XRP?

03:17:55 15 A. I don't know.

03:17:57 16 Q. Now, did Xpring have any materials
03:18:01 17 regarding sales of XRP for marketing?

03:18:04 18 MS. ZORNBERG: Object to form.

03:18:05 19 THE WITNESS: Sorry, I think I understand
03:18:06 20 the question you're asking, which I -- when you
03:18:10 21 asked sales, I didn't understand. Ripple prepared,
03:18:14 22 I assume still does, a quarterly document called the
03:18:18 23 XRP markets report, which talks about the XRP
03:18:24 24 markets.

25 / /

03:18:26 1 BY MS. GUERRIER:

03:18:27 2 Q. Okay. Did Xpring have any involvement in
03:18:30 3 this quarterly XRP market reports in the preparation
03:18:33 4 of it?

03:18:34 5 A. Yes.

03:18:35 6 Q. Did you help in the preparation of the
03:18:38 7 quarterly marketing report?

03:18:40 8 A. Yes.

03:18:40 9 Q. What specifically did you do?

03:18:42 10 A. I would help contribute the activities of
03:18:47 11 both Xpring as well as our developer ecosystem, help
03:18:53 12 contribute highlights to that document.

03:18:57 13 Q. Okay. Did you work with an individual
03:18:59 14 named Monica Long?

03:19:01 15 A. I did.

03:19:02 16 Q. When did you work with Monica Long?

03:19:05 17 A. For my entire tenure at Ripple.

03:19:08 18 Q. Okay. In what capacity did you work with
03:19:13 19 Monica Long?

03:19:14 20 A. Monica Long was a peer of mine. She was,
03:19:19 21 I believe, the SVP of marketing for I think the
03:19:22 22 entire time that I was at Ripple.

03:19:24 23 Q. Did you report to Monica Long?

03:19:26 24 A. I did not.

03:19:26 25 Q. You didn't.

03:19:27 1 So did -- what sort of projects did you
03:19:48 2 work with Monica Long?

03:19:50 3 MS. ZORNBERG: Objection. Lack of
03:19:51 4 foundation.

03:19:53 5 THE WITNESS: So Monica managed the
03:19:56 6 marketing team and possibly the communication team.
03:20:02 7 I sometimes got them confused. So to your prior
03:20:07 8 question around marketing activities that we took,
03:20:10 9 it would be with members of her team.

03:20:12 10 BY MS. GUERRIER:

03:20:12 11 Q. Okay. Were there any conflicts between
03:20:14 12 you and Monica Long in your working with her?

03:20:16 13 A. No. Monica is great.

03:20:22 14 MS. GUERRIER: Let me hand you what's been
03:20:23 15 marked EB-40.

03:20:25 16 (Whereupon, Deposition Exhibit EB-40
03:20:25 17 was marked for identification.)

03:20:38 18 THE WITNESS: Okay.

03:20:38 19 BY MS. GUERRIER:

03:22:54 20 Q. So did there come a time when you worked
03:22:57 21 at Xpring where Monica Long was placed in charge of
03:23:01 22 Xpring?

03:23:02 23 A. No.

03:23:04 24 Q. Did you have to share your
03:23:06 25 responsibilities with Monica Long at any time when

03:23:09 1 you worked at Xpring?

03:23:11 2 MS. ZORNBERG: Object to form.

03:23:13 3 THE WITNESS: No.

03:23:15 4 BY MS. GUERRIER:

03:23:16 5 Q. Okay. Did you have a disagreement with
03:23:18 6 Monica Long about what her responsibilities were
03:23:21 7 with respect to Xpring?

03:23:30 8 A. I don't know if I would characterize it as
03:23:32 9 a disagreement. I would say we may not have agreed.

03:23:35 10 Q. Okay. And what did you not agree on?

03:23:44 11 A. I think if I was to characterize it, I
03:23:46 12 would say I didn't agree with the amount of input
03:23:50 13 that Monica and her marketing team should have on
03:23:55 14 our activities on Xpring.

03:23:58 15 Q. So what sort of input are you referring
03:24:00 16 to?

03:24:03 17 A. So I think some of the things that she
03:24:07 18 laid out on I guess page 2 of this document around
03:24:12 19 brand, design, PR, events and the likes.

03:24:18 20 Q. Okay. So why didn't you agree with her
03:24:24 21 input on some of those items that you just
03:24:26 22 described?

03:24:32 23 A. So I touch on some of this in my email to
03:24:37 24 Brad. I felt as though the team we were building
03:24:42 25 and the culture of the team that we were trying to

03:24:47 1 build and the nature of our constituents on Xpring
03:24:56 2 was different than the rest of Ripple. And I was
03:25:06 3 concerned that the input would negatively impact our
03:25:12 4 speed, our ability to recruit great people on the
03:25:15 5 team, and ultimately our ability to have an impact.

03:25:18 6 Q. Did you have any understanding with Ripple
03:25:21 7 that you would have your own autonomy on Xpring?

03:25:24 8 MS. ZORNBERG: Object to form.

03:25:27 9 Did you say your own economy?

03:25:32 10 MS. GUERRIER: Autonomy.

03:25:33 11 MS. ZORNBERG: Autonomy. Thank you.

03:25:35 12 Still object to form.

03:25:41 13 THE WITNESS: I would say that there was a
03:25:46 14 general understanding between Brad and I that team
03:25:50 15 Xpring would be relatively independent.

03:25:54 16 BY MS. GUERRIER:

03:25:55 17 Q. Okay. And so did Mr. Garlinghouse have
03:25:57 18 the same view as you that Xpring would be relatively
03:26:02 19 independent?

03:26:07 20 A. I would say that -- that his view probably
03:26:14 21 changed over time, like generally yes, but not
03:26:17 22 always.

03:26:17 23 Q. Was there a reason why his view changed
03:26:20 24 about you having more autonomy with Xpring?

03:26:24 25 MS. ZORNBERG: Object to form.

03:26:25 1 THE WITNESS: I don't know.

03:26:28 2 BY MS. GUERRIER:

03:26:29 3 Q. So in your email on the first page, it's
03:26:31 4 from you on August 30th, 2019, to
03:26:37 5 Brad Garlinghouse. And the subject is
03:26:38 6 "Xpring/Marketing delineation straw man."

03:26:43 7 If you look at the third paragraph, are
03:26:51 8 you, in this paragraph, basically stating that you
03:26:53 9 did not want to work jointly with Monica Long?

03:27:00 10 MS. ZORNBERG: Object to form.

03:27:01 11 You can answer.

03:27:05 12 THE WITNESS: I think this paragraph in
03:27:09 13 this document is me trying to fight for as much
03:27:12 14 independence as I could get.

03:27:14 15 BY MS. GUERRIER:

03:27:14 16 Q. And did you receive a response from
03:27:15 17 Mr. Garlinghouse about you fighting for -- as much
03:27:21 18 independence as you could?

03:27:24 19 MS. ZORNBERG: Object to form.

03:27:25 20 THE WITNESS: I'm sure we spoke about it,
03:27:27 21 but I don't believe there was very specific
03:27:34 22 delineated outcomes.

03:27:36 23 BY MS. GUERRIER:

03:27:36 24 Q. Okay. So ultimately, were you and
03:27:41 25 Ms. Long able to work together on your projects?

03:27:46 1 MS. ZORNBERG: Object to form.

03:27:47 2 THE WITNESS: Monica and I always worked
03:27:50 3 super well together.

03:27:51 4 BY MS. GUERRIER:

03:27:52 5 Q. Okay. Now, when did you leave Xpring?

03:28:00 6 A. October 2020, I believe.

03:28:02 7 Q. Why did you leave the company?

03:28:06 8 A. I wanted to go work on a new start-up.

03:28:10 9 Q. Okay. Did you become disenchanted at all
03:28:14 10 with your work at Xpring?

03:28:17 11 MS. ZORNBERG: Object to form.

03:28:18 12 THE WITNESS: No. I loved my team.

03:28:24 13 BY MS. GUERRIER:

03:28:26 14 Q. Okay. Was Xpring successful when you left
03:28:29 15 the company?

03:28:39 16 A. Xpring had -- we had some things that we
03:28:42 17 were successful at and some things that we weren't
03:28:46 18 successful at and some things that were middle of
03:28:49 19 the road.

03:28:54 20 Q. Was Mr. Garlinghouse satisfied with your
03:28:57 21 work at Xpring?

03:28:59 22 MS. ZORNBERG: Object to form.

03:29:01 23 THE WITNESS: I don't know. I'd -- I'd
03:29:03 24 like to think so.

25 / /

03:29:04 1 BY MS. GUERRIER:

03:29:04 2 Q. Well, did you have reviews of your
03:29:06 3 performance at Xpring?

03:29:08 4 A. Yes.

03:29:11 5 Q. And when did you have your last review at
03:29:14 6 Xpring?

03:29:18 7 A. I don't recall.

03:29:18 8 Q. Okay. So did you leave the company in
03:29:25 9 good terms?

03:29:26 10 A. Yes.

03:29:35 11 MS. GUERRIER: Let me hand you what's been
03:29:36 12 premarked Exhibit 47.

03:29:37 13 (Whereupon, Deposition Exhibit EB-47
03:29:38 14 was marked for identification.)

03:30:07 15 THE WITNESS: Okay.

03:31:27 16 BY MS. GUERRIER:

03:31:27 17 Q. Okay. So this is an email from you dated
03:31:31 18 February 9, 2020, to Mr. Garlinghouse. And it's
03:31:34 19 titled "Xpring escalations."

03:31:38 20 So can you just tell me generally, what is
03:31:40 21 the purpose of this email?

03:31:45 22 A. The purpose of this email is to express
03:31:48 23 some frustrations with how team Xpring was
03:31:53 24 interacting with the rest of the broader Ripple
03:31:55 25 organization.

03:31:56 1 Q. Okay. So what were some of your
03:31:58 2 frustrations at the time of this email?

03:32:01 3 A. Some of the frustrations were around
03:32:04 4 recruiting. Some of them were around budgeting.
03:32:14 5 Those are kind of the specifics, I think.

03:32:16 6 Q. So was Xpring provided the funds that it
03:32:19 7 needed to operate around the time that you wrote
03:32:21 8 this email?

03:32:23 9 MS. ZORNBERG: Object to form.

03:32:32 10 THE WITNESS: What do you mean when you
03:32:33 11 say "needed to operate"?

03:32:37 12 BY MS. GUERRIER:

03:32:37 13 Q. Okay. Well, if you go down to your email,
03:32:40 14 the second-to-last paragraph, can you explain what
03:32:48 15 you meant in this point that you made regarding
03:32:55 16 funding, basically?

03:32:57 17 MS. ZORNBERG: Is that the paragraph that
03:32:58 18 starts, "As a point of comparison"?

03:33:01 19 MS. GUERRIER: Yes.

03:33:02 20 THE WITNESS: So this paragraph is me
03:33:07 21 making the case to my manager that we should be
03:33:13 22 spending more money rather than less on the efforts
03:33:17 23 of team Xpring.

03:33:19 24 BY MS. GUERRIER:

03:33:19 25 Q. Okay. So was there a time when your

03:33:22 1 funding was reduced for Xpring?

03:33:34 2 A. That's a good question.

03:33:44 3 I think the best way to characterize it
03:33:47 4 would be to say that Xpring started small and
03:33:53 5 relatively casual, and as it became larger, became
03:33:59 6 more formalized. And so it was more of budgets
03:34:04 7 being placed on Xpring where, previously, it had
03:34:08 8 been more ambiguous and vague.

03:34:11 9 Q. Okay. So when you say Xpring started
03:34:14 10 casual, do you mean in terms of financing or just in
03:34:18 11 the structure of the -- of Xpring itself?

03:34:25 12 A. In terms of financing, Xpring started as
03:34:28 13 three people. So it was -- there wasn't a lot of
03:34:38 14 resources, per se, invested on it.

03:34:43 15 Q. But when it started, Ripple did invest a
03:34:46 16 large amount of funds into Xpring. Is that an
03:34:49 17 accurate statement?

03:34:50 18 MS. ZORNBERG: Object to form.

03:34:55 19 THE WITNESS: Yes.

03:34:56 20 BY MS. GUERRIER:

03:34:56 21 Q. Okay. So by the time you wrote this
03:34:57 22 email, in February 2020, did you feel that Xpring
03:35:05 23 was not receiving the funds that it needed from
03:35:10 24 Ripple?

03:35:12 25 A. I felt that Xpring was an important part

03:35:16 1 of our strategy and deserved more resources.

03:35:26 2 Q. If you flip the page to the last --
03:35:28 3 next-to-last paragraph, and you talk about Xpring
03:35:38 4 not reaching its -- near its full potential, can you
03:35:42 5 explain what you meant here, please?

03:35:50 6 A. By that word or by this paragraph?

03:35:52 7 Q. By the -- by the statement in this
03:35:54 8 paragraph.

03:35:54 9 MS. ZORNBERG: The full paragraph?

03:35:56 10 MS. GUERRIER: Yes.

03:36:16 11 THE WITNESS: So I would say this
03:36:17 12 paragraph is making the case that Xpring will be
03:36:24 13 more effective at reaching an -- its objectives as a
03:36:30 14 standalone entity than as a business unit inside of
03:36:37 15 a large organization like Ripple.

03:36:39 16 BY MS. GUERRIER:

03:36:41 17 Q. Okay. Was -- were there any
03:36:43 18 dissatisfactions on how Xpring was operating around
03:36:46 19 the time that you wrote this email in February of
03:36:50 20 2020?

03:36:54 21 MS. ZORNBERG: Object to form.

03:36:55 22 THE WITNESS: Dissatisfactions from whom?

03:36:56 23 BY MS. GUERRIER:

03:36:57 24 Q. From your boss, Mr. Garlinghouse.

03:37:00 25 MS. ZORNBERG: Object to form.

03:37:01 1 THE WITNESS: So the challenges that team
03:37:08 2 Xpring had with other departments, such as
03:37:11 3 recruiting or finance or marketing, all ultimately
03:37:16 4 would roll up to Brad, because each one of those
03:37:19 5 functions rolled up to him as leader. So certainly,
03:37:28 6 he would witness them and we would talk about them
03:37:35 7 to try to actually make for a smoothly operating
03:37:40 8 organization.

03:37:40 9 BY MS. GUERRIER:

03:37:40 10 Q. Was the company dissatisfied with your
03:37:43 11 work as SVP of Xpring?

03:37:46 12 A. I don't think --

03:37:47 13 MS. ZORNBERG: Object to form.

03:37:48 14 You can answer.

03:37:48 15 THE WITNESS: Sorry.

03:37:51 16 I don't think so.

03:37:52 17 MS. GUERRIER: Let me hand you this
03:37:54 18 document marked -- premarked EB-48.

03:37:56 19 (Whereupon, Deposition Exhibit EB-48
03:37:57 20 was marked for identification.)

03:38:48 21 THE WITNESS: Okay.

03:38:48 22 BY MS. GUERRIER:

03:40:55 23 Q. All right. So this is an exhibit, an
03:40:59 24 email from [REDACTED] dated April 9th,
03:41:07 25 2020, to you, copying [REDACTED] and [REDACTED]

03:41:10 1 [REDACTED] And the subject is "Xpring is a
03:41:13 2 disaster...community abandonment."

03:41:17 3 Have you seen this email before?

03:41:22 4 A. I've been on this -- like, I'm on the
03:41:24 5 thread, so yes.

03:41:27 6 Q. Okay. So can you just generally explain
03:41:31 7 what this email thread is about?

03:41:38 8 A. So it's worth noting it appears to be an
03:41:44 9 incomplete thread, at least the last email says
03:41:46 10 "thanks for your email," which makes me a little
03:41:54 11 cautious to jump into the middle of the thread.

03:41:59 12 Q. What email thread are you referring to?

03:42:01 13 A. So the last email, the oldest email in
03:42:03 14 this from Brad Garlinghouse, Saturday,
03:42:05 15 April 4th --

03:42:07 16 Q. Right.

03:42:07 17 A. -- says "thanks for your email."

03:42:09 18 Q. Okay.

03:42:10 19 A. So --

03:42:11 20 Q. Were you on this string of emails?

03:42:16 21 MS. ZORNBERG: Yeah, objection. I think
03:42:18 22 the witness is expressing a concern that it's an
03:42:21 23 incomplete thread.

03:42:23 24 THE WITNESS: I was on this -- this email
03:42:27 25 where [REDACTED] wrote to me:

03:42:28 1 "He didn't say much. Brought
03:42:30 2 up his identity solution and how we
03:42:32 3 weren't interested in that."
03:42:34 4 And I was on the next one since I wrote --
03:42:35 5 I wrote:

03:42:35 6 "What was his feedback on
03:42:37 7 PayID?"

03:42:39 8 MS. ZORNBERG: For example. Can you make
03:42:39 9 any representation, Ms. Guerrier, about whether you
03:42:42 10 have the original thread to which Brad Garlinghouse
03:42:45 11 responded on April 4, 2020, which was the Xpring is
03:42:50 12 a disaster email?

03:42:52 13 MS. GUERRIER: I cannot. I can only
03:42:54 14 provide the emails that were produced. This is what
03:42:56 15 we have.

03:42:56 16 BY MS. GUERRIER:

03:42:56 17 Q. So I'm going to focus on your answer --

03:43:00 18 A. Okay.

03:43:01 19 Q. -- to this email.

03:43:05 20 So were you aware of discussions of Xpring
03:43:07 21 being a disaster around April of 2020?

03:43:13 22 MS. ZORNBERG: Okay. Object to form. And
03:43:15 23 object to him being asked about Xpring is a disaster
03:43:19 24 without providing the actual original email to which
03:43:21 25 this chain responds.

03:43:29 1 THE WITNESS: I was aware of an email
03:43:30 2 from, I believe, a [REDACTED] with that
03:43:35 3 subject.

03:43:36 4 BY MS. GUERRIER:

03:43:37 5 Q. Okay. Do you know who [REDACTED]
03:43:39 6 is?

03:43:40 7 A. Yes.

03:43:42 8 Q. Okay. And do you know why he was speaking
03:43:47 9 of Xpring as being a disaster?

03:43:56 10 MS. ZORNBERG: So standing objection that
03:43:58 11 [REDACTED] email, the one that's being discussed
03:44:00 12 now, is not -- has not been provided to the witness.

03:44:03 13 If you have a recollection that allows to
03:44:06 14 you answer, please answer, Mr. Beard. If you can't
03:44:08 15 answer without that underlying email, then you
03:44:11 16 should indicate that.

03:44:17 17 THE WITNESS: I would say generally, it
03:44:20 18 looks as though [REDACTED] did not agree with some
03:44:23 19 of what we were doing on Xpring.

03:44:25 20 BY MS. GUERRIER:

03:44:26 21 Q. So, for example, being -- funding a small
03:44:29 22 amount of start-ups, is that an accurate
03:44:34 23 representation of what some of his objections were?

03:44:40 24 MS. ZORNBERG: Objection.

03:44:50 25 THE WITNESS: According -- I hesitate to

03:44:52 1 say that. According to [REDACTED] email about a
03:44:56 2 conversation he had with [REDACTED], that appears
03:45:00 3 to be a topic. But that is not -- [REDACTED]
03:45:06 4 words aren't here.

03:45:07 5 BY MS. GUERRIER:

03:45:07 6 Q. Okay. Well -- and if you look at the
03:45:08 7 first page, you responded on April 9, 2020, you
03:45:11 8 asked:

03:45:11 9 "What was his feedback on
03:45:13 10 PayID?"

03:45:14 11 A. Yeah.

03:45:14 12 Q. What were you referring to here?

03:45:18 13 A. So PayID -- oops, sorry. Is that all
03:45:29 14 right? Okay.

03:45:31 15 PayID was an open source standard for,
03:45:37 16 I'll say, a name space and addressing for making
03:45:44 17 payments that works across any payment network, any
03:45:50 18 ledger, whether blockchain or not blockchain. It
03:45:56 19 was an effort that we had invested and worked with
03:45:58 20 the community on creating this open standard and
03:46:03 21 launching it out to a variety of different start-ups
03:46:05 22 to help them solve a real pain point, which was both
03:46:08 23 a pain point around addressing and sending payments.
03:46:11 24 Also around things like KYC, know your customer, and
03:46:15 25 other regulatory issues.

03:46:17 1 PayID was built to help developers, free,
03:46:21 2 anywhere, open source, to actually use that
03:46:24 3 technology to address those problems. It was
03:46:26 4 something that, at this time, we were very much
03:46:30 5 focused on trying to gain adoption on. And so I was
03:46:34 6 interested to hear from the team that spoke to
03:46:37 7 Mr. Holland about his opinion on PayID.

03:46:40 8 Q. Did you and Mr. Garlinghouse speak about
03:46:44 9 this email?

03:46:46 10 A. I don't recall.

03:46:46 11 MS. ZORNBERG: Hold on. Objection to
03:46:48 12 form. Which email?

03:46:51 13 BY MS. GUERRIER:

03:46:52 14 Q. Did you and Mr. Garlinghouse speak about
03:46:56 15 the subject of the email, Xpring being a disaster?

03:47:01 16 MS. ZORNBERG: Object to form.

03:47:01 17 THE WITNESS: I don't recall.

03:47:03 18 BY MS. GUERRIER:

03:47:10 19 Q. Okay. When did you leave Xpring?

03:47:14 20 MS. ZORNBERG: Objection. Asked and
03:47:15 21 answered.

03:47:18 22 THE WITNESS: October 2020.

03:47:19 23 MS. GUERRIER: Okay. Let me hand you an
03:47:22 24 unmarked exhibit, 10.

25 / /

03:47:36 1 MS. ZORNBERG: Can I have a copy?
03:47:39 2 MR. MOYE: Oh, sorry. Apologies.
03:47:42 3 MS. ZORNBERG: Thank you so much.
03:47:43 4 Forgive me, did you say this is 10?
03:47:46 5 MS. GUERRIER: Yes.
03:47:59 6 MS. DEARBORN: I think we already have an
03:48:01 7 Exhibit 10 marked.
03:48:03 8 MR. MOYE: I think that's right.
03:48:04 9 MS. GUERRIER: Sorry.
03:48:04 10 MR. MOYE: Do 11.
03:48:06 11 MS. DEARBORN: We already have an 11
03:48:08 12 marked as well.
03:48:10 13 MS. GUERRIER: We definitely don't have
03:48:11 14 12, so let mark it as 12.
03:48:29 15 (Whereupon, Deposition Exhibit EB-12
03:48:30 16 was marked for identification.)
03:49:46 17 THE WITNESS: Okay.
03:49:46 18 BY MS. GUERRIER:
03:49:46 19 Q. Earlier you testified that you left to
03:49:49 20 form your own company. Is that an accurate
03:49:52 21 representation of what you stated earlier?
03:49:55 22 A. Yes.
03:49:56 23 Q. Okay. So why did you leave to form your
03:49:59 24 own company?
03:50:02 25 A. 'Cause it was something that I wanted to

03:50:04 1 do.

03:50:04 2 Q. Okay. And did you want to remain in
03:50:09 3 relationship with Ripple?

03:50:17 4 A. I'm not sure I had an opinion one way or
03:50:18 5 the other.

03:50:19 6 Q. Okay. So did you ask or request that
03:50:22 7 Ripple help fund your new venture?

03:50:27 8 A. So we discussed opportunities, and I
03:50:29 9 believe this morning we discussed specifics on what
03:50:32 10 that deal looked like.

03:50:33 11 Q. Okay. So did you retain a relationship
03:50:37 12 with Ripple after you left the company?

03:50:40 13 MS. ZORNBERG: Object to form.

03:50:44 14 THE WITNESS: Do you mean a formal
03:50:45 15 relationship?

03:50:45 16 BY MS. GUERRIER:

03:50:46 17 Q. Well, why don't you tell me what type of
03:50:48 18 relationship you retained with Ripple after you
03:50:51 19 left?

03:50:51 20 A. So when I left Ripple, I had no
03:50:53 21 relationship with Ripple.

03:50:55 22 Q. Okay. So in your email here, if you look
03:50:58 23 down to the next to last paragraph, you are
03:51:04 24 requesting funding from Ripple.

03:51:06 25 What was the purpose of this request?

03:51:13 1 MS. ZORNBERG: Object to form.

03:51:14 2 You can answer.

03:51:15 3 THE WITNESS: Yeah. I'm not sure a
03:51:16 4 request is a fair characterization.

03:51:22 5 BY MS. GUERRIER:

03:51:22 6 Q. Okay.

03:51:24 7 A. I think I would state this more as
03:51:26 8 pitching ideas for opportunities to build something
03:51:32 9 that Ripple might be interested in.

03:51:36 10 Q. So a fund -- part of the idea that you
03:51:40 11 pitched to Ripple was funding for -- from [REDACTED] to
03:51:49 12 [REDACTED]. Is that an accurate representation of
03:51:53 13 your statement here?

03:51:55 14 A. I think it's an accurate representation of
03:51:57 15 this email.

03:51:59 16 Q. Well, is it -- is this what you were
03:52:00 17 requesting of Ripple?

03:52:05 18 A. Again, I don't think I was requesting
03:52:06 19 anything of Ripple. I think I was putting out ideas
03:52:09 20 for how we might be able to build something
03:52:12 21 together.

03:52:12 22 Q. Okay. So ultimately, did you receive any
03:52:14 23 funding from Ripple in the amounts that you describe
03:52:18 24 in your email?

03:52:21 25 A. Are you asking if I received somewhere

03:52:23 1 between [REDACTED] and [REDACTED]?

03:52:26 2 Q. Yes.

03:52:26 3 A. I think we talked about this morning. We
03:52:28 4 received [REDACTED] from Ripple.

03:52:30 5 Q. Okay. And when did you receive
03:52:32 6 the [REDACTED]?

03:52:33 7 A. I believe we talked about that as well. I
03:52:35 8 think it was Q4 of last year or Q1 of this year.

03:52:40 9 Q. Did you sign an agreement with Ripple
03:52:42 10 about receiving funds?

03:52:44 11 A. Yes.

03:52:44 12 MS. ZORNBERG: Okay. Objection. Asked
03:52:45 13 and answered.

03:52:46 14 BY MS. GUERRIER:

03:52:48 15 Q. Are you expecting to receive any funds
03:52:50 16 from Ripple?

03:52:52 17 MS. ZORNBERG: Objection. Asked and
03:52:53 18 answered, but you can answer.

03:52:55 19 THE WITNESS: Yeah. I believe we spoke
03:52:56 20 about that. No.

03:52:58 21 BY MS. GUERRIER:

03:52:59 22 Q. Okay. So is there a breach of contract
03:53:00 23 between yourself and Ripple?

03:53:03 24 MS. ZORNBERG: Objection.

03:53:03 25 THE WITNESS: No.

03:53:04 1 BY MS. GUERRIER:

03:53:05 2 Q. Okay. Has the agreement between and you
03:53:07 3 Ripple terminated?

03:53:09 4 A. As of this date, no.

03:53:12 5 Q. Okay. Was there an amount in total that
03:53:16 6 was to be provided to you, not just the [REDACTED], but
03:53:21 7 was there an agreement on the total amount?

03:53:25 8 MS. ZORNBERG: Objection to form.

03:53:26 9 THE WITNESS: There was --

03:53:28 10 MS. ZORNBERG: Mischaracterizes prior
03:53:28 11 testimony.

03:53:29 12 Go ahead.

03:53:31 13 THE WITNESS: So I don't remember the
03:53:33 14 exact dates of executing the agreement, but there
03:53:35 15 was an agreement with a number of milestones of
03:53:39 16 which we only reached and we'll only reach one of
03:53:46 17 those. And so we'll only receive [REDACTED] from
03:53:50 18 Ripple prior to that deal terminating because we
03:53:53 19 will not reach any more milestones.

03:53:59 20 MS. GUERRIER: Okay. Give me a few
03:54:06 21 minutes to just look over my notes.

03:54:14 22 MS. ZORNBERG: Ms. Guerrier, would you
03:54:15 23 like a break?

03:54:16 24 MS. GUERRIER: No. I don't.

03:54:18 25 THE VIDEOGRAPHER: Off the record?

03:54:18 1 MS. ZORNBERG: No.

03:54:19 2 BY MS. GUERRIER:

03:54:20 3 Q. Did you provide the SEC with a copy of the
03:54:23 4 agreement between and you Ripple post your leaving
03:54:31 5 Ripple?

03:54:31 6 A. I didn't provide anything directly to the
03:54:33 7 SEC.

03:54:35 8 MS. GUERRIER: Well, we'd like to request
03:54:36 9 a copy of the agreement between Ripple and Mr. Beard
03:54:39 10 concerning his new venture.

03:54:41 11 MS. ZORNBERG: We'll take it under
03:54:43 12 advisement.

03:54:48 13 MS. GUERRIER: I think I'm done.

03:54:50 14 THE WITNESS: And, sorry, just to clarify,
03:54:51 15 that agreement that we're discussing is not between
03:54:54 16 Ripple and Mr. Beard.

03:54:55 17 MS. ZORNBERG: Yes.

03:54:55 18 THE WITNESS: That is between Ripple and a
03:54:58 19 corporation.

03:54:58 20 BY MS. GUERRIER:

03:54:58 21 Q. What is -- the corporation that you
03:55:00 22 referenced this morning?

03:55:02 23 A. Yes.

03:55:04 24 MS. GUERRIER: Okay. Then we'd like to
03:55:05 25 request that agreement and any other agreements

03:55:08 1 between the corporation, you, if it exists, and
03:55:12 2 Ripple after you left Ripple in 2020.

03:55:16 3 MS. ZORNBERG: We'll take it under
03:55:17 4 advisement.

03:55:25 5 THE REPORTER: Are we off the record?

03:55:27 6 MS. GUERRIER: Yes.

03:55:28 7 MS. ZORNBERG: Just before we go off the
03:55:29 8 record. I'll put on the record, there are no
03:55:31 9 questions from Ripple Labs.

03:55:35 10 MS. DEARBORN: And no questions for
03:55:36 11 Mr. Larsen.

03:55:39 12 THE VIDEOGRAPHER: Okay. This concludes
03:55:40 13 today's deposition on August 24th, 2021. We are
03:55:44 14 off the record at 3:55 p.m. Master media will be
03:55:47 15 retained by Gradillas Court Reporting.

03:55:49 16 (Whereupon, a recess was taken.)

04:04:46 17 THE VIDEOGRAPHER: This is the start of
04:04:46 18 file 6. We're back on the record at 4:04 p.m.

04:04:51 19 MS. ZORNBERG: Okay. Thank you for coming
04:04:53 20 back on the record. I want -- Mr. Beard would like
04:04:56 21 to provide a clarification relating to his testimony
04:04:59 22 about his current company and the entity that had
04:05:03 23 the marketing agreement with Ripple.

04:05:04 24 Mr. Beard, please go ahead.

04:05:06 25 THE WITNESS: Thank you.

04:05:07 1 So the agreement that was signed with
04:05:11 2 Ripple Labs in December of 2020 was signed with our
04:05:17 3 company then, which was called [REDACTED]
04:05:20 4 [REDACTED]. We subsequently, just recently, have converted
04:05:25 5 that into a C corp called [REDACTED], which is
04:05:30 6 what I referred to this morning.

04:05:32 7 BY MS. GUERRIER:

04:05:32 8 Q. Okay. So when was the sequel conversion?

04:05:40 9 A. Sorry, I want to get that --
04:05:42 10 August 15th-ish. Sorry, I don't remember the
04:05:46 11 exact date off the top of my head.

04:05:47 12 Q. 2021?

04:05:48 13 A. 2021. About ten days ago.

04:05:50 14 MS. GUERRIER: Okay. Thank you.

04:05:51 15 THE WITNESS: Thank you.

04:05:52 16 MS. ZORNBERG: Okay.

04:05:53 17 THE VIDEOGRAPHER: This concludes today's
04:05:55 18 deposition on August 24th, 2021. We are off the
04:05:58 19 record at 4:05 p.m.

04:06:00 20 (Deposition concluded at 4:05 p.m.)

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CERTIFICATE OF REPORTER

I, Kathleen A. Wilkins, Certified Shorthand Reporter licensed in the State of California, License No. 10068, hereby certify that deponent was by me first duly sworn, and the foregoing testimony was reported by me and was thereafter transcribed with computer-aided transcription; that the foregoing is a full, complete, and true record of proceedings.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing proceeding and caption named or in any way interested in the outcome of the cause in said caption.

The dismantling, unsealing, or unbinding of the original transcript will render the reporter's certificates null and void.

In witness whereof, I have hereunto set my hand this day:

___x___ Reading and Signing was requested.

_____ Reading and Signing was waived.

_____ Reading and Signing was not requested.

Kathleen A. Wilkins

KATHLEEN A. WILKINS

CSR 10068, RPR-RMR-CRR-CCRR-CLR-CRC

ERRATA SHEET

Deposition of: ETHAN BEARD

Date taken: AUGUST 24, 2021

Case: SEC v. RIPPLE LABS, INC., et al.

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